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ABSTRACT

The study reported in this document is part of a larger research effort by the Employment and Training Administration to examine recruitment and hiring processes. This study presents a comparison of stocks and flows of occupational listings in help wanted ads and listings placed with the public employment service (ES) by local employers. Comparisons are made at the end of each of twelve months in twelve labor market areas (Atlanta, Boise, Dayton, etc.). Employers using one or the other or both medium(s) are identified. Volume comparisons are made for occupational and industrial makeup and between geographic areas. Analysis is made of the impact of low-pay, low-status occupations on intermediaries, and the effect of mandatory listings on the ES. Findings include twenty-three highlights: (1) on first encounter, the ES and want ads have approximately the same listings volume of jobs available to job seekers; (2) a daily visit to ES exposes job seekers to 1.2 additional jobs during remaining monthly work days; (3) want ads receive almost three times more new listings than ES in twenty-eight days, and higher volume in all occupations; etc. The findings are thought to be germane to considerations of amending the Wagner-Peyser Act. (A more extensive report of this same study is also available. See note.) (CSS)

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The Public Employment Service and Help Wanted Ads

ED159329

A Bifocal View of the Labor Market

R&D Monograph 59

U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
1978

This monograph is a condensation and modification of a study prepared by Olympus Research Corporation under Grant No. 21-11-74-28 from the Employment and Training Administration, U.S. Department of Labor, under the authority of title III, part B, of the Comprehensive Employment and Training Act of 1973. Researchers undertaking such projects under Government sponsorship are encouraged to express freely their professional judgment. Therefore, points of view or opinions stated in this document do not necessarily represent the official position or policy of the Department of Labor.

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FOREWORD

This monograph reports on part of a larger effort directed by the Employment and Training Administration toward an understanding of how employers hire and how workers seek and find jobs. Two labor market intermediaries--the public Employment Service (ES) and newspaper want ads--used by both employers and workers are compared.

The research was unique in being the first such study which looked at the ES from the users' viewpoint. That is, it considered that both employers and workers have alternative channels of search. The question asked here is not what role the Government may assign to the ES, but rather what labor exchange role do its users assign it.

The study compares the stock of jobs on hand and the flow of listings during a month in the help wanted columns to the job orders placed by employers with a local ES. This was done once at the end of each month for 12 months in 12 labor markets. Employers who used one or the other medium exclusively were identified; those employers who used both mediums were also identified. Comparisons are made by volume in occupational and industrial makeup and between geographic areas. Analysis is also made of the impact of low-pay, low-status occupations on both intermediaries, and the effect of mandatory listings on the ES.

The research was essentially descriptive, but it generated considerable knowledge that bears on public policy questions. It is highly relevant to an assessment of what the public Employment Service is doing and what it should be doing. It is most germane to any considerations of amending the Wagner-Peyser Act.

HOWARD ROSEN
Director
Office of Research
and Development

Highlights of Findings

- The employment service (ES) and the want ads have approximately the same volume of listings when viewed from the perspective of inventory, or stock, of jobs available to a job seeker on first encounter with both mechanisms.
- A daily visit to the ES office exposes the job seeker to only 1.2 *additional* jobs during the remaining working days of the month for each one seen on the first day, on the average. A daily reading of the want ads exposes the job seeker to 4.2 new listings in the remaining newspaper editions of the month, for each job seen on the first Sunday.
- Want ads receive a flow of about three times as many *new* listings as ES in the course of 28 days, and a higher volume in virtually all occupations.
- The differences in ranking between the two intermediaries in the stock analysis and the flow analysis is accounted for by the fact that the average job order remains open in the ES system over three times longer than the average life of a want ad.
- Nearly three times as many *employers* use the want ads as use the employment service.
- Approximately one-third of all employers who list with ES are multi-mechanism users--they also list with the want ads during a four week period.
- These multi-mechanism employers generate nearly 40 percent of all the new listings received in ES in a month.
- During a month multi-mechanism employers generate an average of 1.7 job orders each compared to 1.3 orders per exclusive ES users. In want ads, each employer listing in both intermediaries generates an average of 3.6 listings, compared to an average of 1.7 listings per exclusive user of want ads.
- Approximately 91 percent of the employers appearing in the want ads during a month do *not* list their jobs with ES in that period, whereas 67 percent of employers who list with ES do *not* list their jobs with the want ads.
- On the average, employers who use both channels do not call ES until six days after their jobs appear in the want ads.
- The two mechanisms, together, penetrated approximately 10 percent of all employing units, but the ES penetration rate was approximately 3 percent.
- The stock of jobs in the two intermediaries parallels the broad occupational composition of the nation. However, some of the major high-volume occupations (engineers, teachers, retail sales persons, craftsmen and operatives) are under-represented in either mechanism.

- In ES, 37.5 percent of the flow of new jobs are in low-pay, low-status occupations, whereas in the want ads, 25 percent of the flow are in such occupations.

- The following types of establishments appear to be the heaviest users of both want ads and ES: bars and restaurants, hospitals and clinics, private households, business services, auto dealers and gasoline stations, personal services, hotel and motels, insurance companies and miscellaneous retailers.[1]

- In ES, 17 percent of the jobs in stock are in professional, technical, and managerial occupations, but only 7.8 percent of the flow of new jobs are in those occupations. In the want ads, these occupations represent 18.3 percent of the stocks and 13.0 percent of the flow. Clerical occupations account for between 17 to 21 percent of stock and flow in both intermediaries.

- The ES percent share of both stock and flow is considerably higher in almost all farming, processing, machine trades, benchwork, structural and miscellaneous blue-collar occupations, than it is in white-collar occupations.

- Certain specific occupations are uncommonly heavy in each intermediary: In want ads, these occupations are real estate sales, professional health occupations, and cosmotology and barbering, while in ES such occupations include inventory clerks, house-to-house sales, kitchen helpers, porters and janitors, motor freight occupations, service station attendants, warehousemen and material handlers.

- The occupational composition of ES jobs is materially altered when viewed from the stock or flow perspective: Nearly half of the new jobs listed are in 14 occupations, of which eight (representing 17% of all new listings) do _not_ appear in high-volume when examining stock. These are low-pay, low-status jobs which tend to flow in and out of ES in the course of one day, and do not accumulate a significant inventory.

- ES jobs, especially those in the daily flow, are more diverse in their occupational and industrial distribution than jobs appearing in the want ads.

- Mandatory listings constitute 21 percent of ES stock, but only 11 percent of the flow of new listings. One-half of the professional, technical, and managerial inventory or stock of jobs in ES are mandatory listings, and one-quarter of its stock of clerical, processing and machine trade jobs. Mandatory openings tend to stay open longer than other jobs mainly because of their generally higher education and skill requirements.

- Areas vary greatly in the average length of time jobs remain in the ES system, ranging from 5 days to 43 days which reflects considerable variance not only in difficulty of filling jobs, but also in attention paid to maintaining good files of valid openings.

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[1] Findings about industries are very tentative because of missing industry data in want ads.

- The ES share of listings in both ES/WA stock and flow differs widely among geographic areas. The following factors have the greatest association with an area having a higher ES share of new listings:
    1. a relatively high proportion of employment in low-pay, low-status occupations, according to the 1970 census;
    2. a low ratio of locally placed help wanted ads to local employing units; and
    3. a relatively large staff per labor force ratio (i.e., adequate staffing).

- While occupational listings in both intermediaries are reflective of local economics, service occupations are the major component of both ES and want ads stock and flow in over half of the areas. The stock of both want ads and ES has the same core of high volume jobs in nearly all areas. However, there is less uniformity among areas in the high-volume occupations that appear daily in the ES flow.

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INTRODUCTION

This monograph is based on a study which is part of a broader research effort, directed by the Employment and Training Administration, to understand the processes of recruitment and hiring in the American economy. The study project was conducted by Olympus Research Centers and was intended to enlarge the body of knowledge about labor market intermediaries. Though this was essentially descriptive research, the knowledge gained bears upon many public policy questions, and is most relevant to an assessment of the basic function of the public employment service (ES)--what it does now and what it should be doing.[1/] Most current research and evaluation studies measure the economic and social benefits and costs of ES as "a thing in itself." So far as we know, this is the only study of intermediaries that compares one to another on the assumption that the main actors on this stage--employers and workers--do have alternative search channels and can and do make choices about which to use. The research project examines the labor exchange role that is now being assigned to ES--not by government policy makers, economists, social scientists, legislators, or others who are not directly involved in labor markets, but by the employers themselves. Until policy makers look squarely at the employer-generated role for ES and the reasons for it, an air of unreality will continue to underlie all attempts to define the mission and determine the behavior of the agency.

The study upon which the monograph is based compares the stocks and flows of occupational listings in the help wanted ads (occupations listed within an ad) to those placed with ES by local employers (job orders) in 12 labor market areas. The stock data from ES, obtained at the end of the month following the purge of closed orders, and from the want ads of the closest Sunday edition of the newspaper, continues for 12 consecutive months from June, 1974, through May, 1975, producing 12 snapshot views. The moving picture view is created by the flow data which is developed by identifying and extracting new listings that flowed daily into and out of each intermediary during October, 1974. A substudy identifies employers who used each mechanism during the flow period, and those who used both, and the comparative use by

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[1/] The optional term "Job Service" is preferred to "Employment Service" by a number of states. Since no uniform designation exists, we have chosen to use "Employment Service" or "ES" throughout the monograph.

employers is analyzed. Comparisons are made by volume, in occupational and industrial makeup, between stock and flow, and between geographic areas. Analysis is also performed to determine what impact low-pay, low-status occupations have on both intermediaries and the effect that mandatory listings have on ES.

The two perspectives (i.e., stock and flow), were pursued because each offers a unique glimpse into the use of the two mechanisms. The stock perspective tells us not only about the choice of intermediary made by the employer, but also informs about imbalances between supply and demand. The inventory also speaks to variations of administrative practices in ES which affect the length of time jobs remain in the system. The flow perspective more clearly expresses the employer choice of recruitment channel and captures, particularly in ES, those jobs that come and go out of the system in higher volume than can be discerned from the inventory.

The reader should be reminded of some of the limitations on the scope of the study and the findings that stem from it.

1. Although the 12 study sites are geographically, economically and sociologically diverse, they are not entirely representative. The six largest SMSAs studied incorporate 80 percent of the population in the study areas; the combined populations of all U.S. SMSAs with population of 500,000 or more represent only 74 percent of U.S. metropolitan population. To this degree, the sample tends to overstate the case of big cities.
2. The two intermediaries are placed in a competitive stance only in terms of the volume of listings. Each may have intrinsic value or capabilities to respond to the needs of either job seekers or employers that are of equal or greater importance than sheer volume. This is not an evaluation of the two institutions, since no value judgment is intended. More doesn't necessarily mean better.
3. The study is primarily descriptive research, and descriptions of social phenomena focuses mainly on what and who. Analysis of why phenomena occur is severly hampered by the absence of significant data obtainable only through deeper and more analytical research methods.

However, over 204,000 help wanted ads in 19 newspapers were counted and examined, of which 62,000 met criteria for inclusion in the study and were coded. Within the 12 areas, job orders were examined from ES installations in some 30 communities. This represents a formidable data base from which to draw conclusions that would strongly suggest a pattern to be encountered elsewhere in the United States.

The monograph begins by presenting two conceptual instruments, or institutional models, which provide coherence and meaning to the description, data and analysis which follows:

1. Drawing on data gathered in this study, as well as on other labor market research and empirical knowledge of the behavior of other intermediaries, a model was constructed that depicts job search and recruitment processes and channels at several levels. From the model one may infer the existence of a screening and filtering process through which job openings pass from the employers' preferred recruitment channels, which are the least open to the general public, to the last resort, most public recruitment methods: want ads and ES.
2. A distinction is drawn between two functional types of labor exchange intermediaries: the broadcaster and the broker. The characteristics of each are analyzed, using want ads as the broadcast model and private employment agencies as the broker model. Evidence is then adduced that ES role confusion stems partly from an oscillation between the two functional models.

The purpose of the monograph is to extract the essence of the study report and to delineate more sharply and clearly the policy issues and implications that emerged from it. Having had the benefit of critical responses to the original study, this condensation is accompanied by refinements that entailed some modifications. The most important refinement concerned the job search/recruitment model. Data were compressed but otherwise not altered. The reader interested in the more detailed and complete analysis of findings is referred to the report, The Comparative Labor Market Role of Newspaper Help Wanted Ads and Public Employment Service Job Listings (Miriam Johnson and Marged Sugarman, Salt Lake City: Olympus Research Corp., January, 1977).

It is our hope that the ensuing material will contribute to the national dialogue about the mission of the public employment service.

1. LABOR EXCHANGE: HYPOTHESES AND MODELS

How employers with openings and potential workers learn of and find each other is of crucial concern to policy makers and to operators of the Public Employment Service (ES). The likelihood of "need" for ES labor exchange services and the potential for these services is closely linked to the degree to which labor market transactions take place through other intermediaries, both formal and informal.

Based on a synthesis of findings from recent labor market research[1/] as well as the empirical results of this study, this chapter offers a framework for giving meaning and coherence to the body of data which follows. It has three purposes:

1. To present a hypothetical institutional model of the job recruitment-search processes.
2. To define the nature of the two intermediaries under study, within the framework of the model.
3. To develop institutional models of labor exchange functions and define the organizational characteristics that are required in each.

Assumptions

In approaching the construction of a hypothetical model, we begin with a series of hypotheses or assumptions.

Assumption One

The hierarchy of recruitment methods used by employers reflects gradation of employer obligations or demonstrable preferences. The universe of job vacancies, then, is not a continuum insofar as employer recruitment behavior is concerned. The mix of jobs that fall into the domain of the two public intermediaries under the study is qualitatively different from those in closed or informal systems.

[1/] Camil Associates, Recruitment, Job Search and the United States Employment Service (Philadelphia: Camil Associates, 1975) and Jobseeking Methods Used by American Workers (Washington, D. C.: U.S. Bureau of Labor Statistics, 1975). The studies will be referred to as "Camil" and "BLS."

1. Given a choice, employers prefer to recruit and select from sources that are closer and more familiar to them for all job categories. They broadcast their vacancies to the narrowest, most restricted market which is most apt to produce acceptable workers with the required skills. The job appears in the less restricted public market only when closer audiences have failed to respond or were unavailable to the employer. As a consequence of such a "picking off" and filtering process, the mix of jobs that do fall into the public domain differs in kind from the total universe of job vacancies.

2. Certain types of jobs tend to dominate the unrestricted public market. They appear in large volume and can be stratified as follows:

a. Jobs in low-pay, low-status, and high-turnover occupations.

b. Jobs in occupations of uncertain income (commission sales).

c. Jobs within any occupational family which are least attractive and hardest to fill.

d. Jobs hard to fill because of scarcity of the required skills.

All four categories require broadcast to a wide audience and some require lengthy broadcast as well.

3. Because of these factors, the public intermediary market tends to be characterized by a comparatively small share of the total volume of vacancies consisting largely of less desirable jobs which are broadcast to the largest, less "attached," less "belonging" pool of potential workers.[2/]

4. The jobs that dominate the two systems studied here--want ads and ES--are more similar than they are different, and they serve essentially the same range of job seekers and employers.

Assumption Two

Until a job filters into the publicly accessible, formal, institutional intermediaries, it does not represent a viable potential for ES.

1. Except for obligatory closed systems, both job seeker and employer can exercise freedom of choice in the recruitment or search methods they use. The primary competitors to the use of ES as a recruiting mechanism

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[2/] The assumption that fewer jobs fall on a larger audience is supported by findings in the Employment Service Potential (ESP) Studies. See footnote 10 in this chapter.

are the help wanted ads and the private employment agencies. ES has no potential for capturing vacancies which can be filled by the closed systems or the informal methods, whatever level of effort it makes. Inevitably, the foreman's brother or friend, the aggressive job seeker who shows up at the company's personnel office when the job becomes vacant, a recommendation from a professional association, a union hiring hall referral or the Civil Service list will fill the job (assuming these are available and can meet requirements), before the job is listed with ES, private employment agencies, or want ads.

2. Even if the job listing is sought out and captured by the private agencies or ES/WA market, employers will, if they can, continue to search their closer environs and will usually favor an acceptable candidate produced by the informal or closed-system mechanisms over those produced by the formal public ones.

3. Employer perception of ES is not the primary reason for failing to list their openings. The employer "either felt he didn't need the Employment Service or it had nothing to do with his needs for employees."[3/] An employer's decision to "go public" generally occurs because of a failure or anticipated failure to draw enough satisfactory employees from the narrower circle.

4. The arena of competitive potential for ES occurs after the employer crosses the line into making a formal public announcement. Only then is the choice among the three intermediaries based on the employer's perception of their comparative competency to fill the employer's needs.

Assumption Three

Public labor exchange channels perform two basic functions: (1) they centralize and broadcast job vacancy information, and (2) they act as direct and active mediators or brokers in bringing jobs and workers together.

1. Private employment agencies are models of a labor exchange broker function. Help wanted ads are a model of a labor exchange broadcast

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[3/] Camil, op. cit., p. 29.

function. ES engages in both activities. It parallels the private employment agencies in performing the broker role and the help wanted ads in the centralizing and broadcasting role.

2. The major distinction between the services offered by the help wanted ads and ES lies in the ability of the latter to act as a borker. Using occupations heavily identified with private employment agencies as a prototype of jobs which usually require intensive brokering, it could be expected that such jobs would appear more heavily in ES than in want ads.

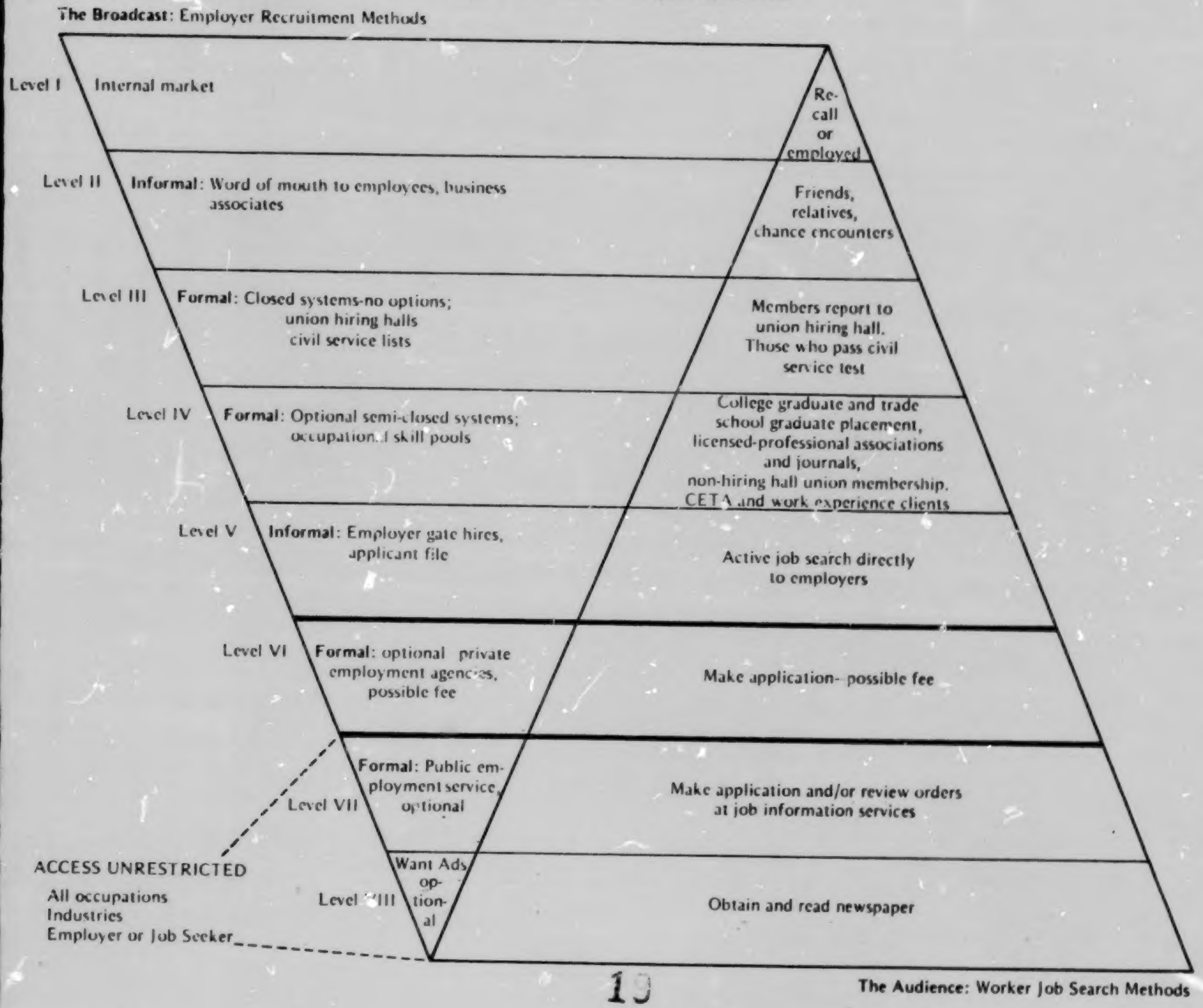
Job Recruitment/Search Model

Based on the preceding assumptions, we have constructed a recruitment-job search model (Figure 1.1) which correlates the method used by employers to broadcast and fill their employment needs and the several audiences. The inverted triangle represents the vacancy broadcast by the employer to the potential audience. The juxtaposed upright pyramid represents the audience and the place it must be in order to "hear" it. The sequence of levels is generally ordered according to gradation of openness of the announcement and exclusiveness of the audience, with the most exclusive at the top of the figure. There is no attempt to arrange levels in accordance with the aggregate number of vacancies occurring at each level, the statistical size of the audience, or the frequency with which matches occur.

Drawing on the diagram, we elaborate on each level or segment of the model. Nothing that follows, or that has been said, should be interpreted as a description of a rigid sequence, precluding the possibility that employers use many or even all search methods at once, depending on the economy and other factors. The model attempts only to describe the dynamics of the search process and its underling rationale.

The internal market (Level I) refers to those job changes that occur within an enterprise for which a competitive choice is made, either by transfer or promotion of the currently employed, or the recall of those on layoff. A "job change" in this sense requires an actual change in incumbents, not merely a change of job content for the same incumbent. Though there is little statistical evidence regarding the size of internal labor market transfers, promotions, or recalls, the Employment Service Potential

Figure 1.1. A Recruitment-Job Search Model


The Broadcast: Employer Recruitment Methods
Level I
Internal market
Re-call or employed
Level II
Informal: Word of mouth to employees, business associates
Friends, relatives, chance encounters
Level III
Formal: Closed systems-no options; union hiring halls civil service lists
Members report to union hiring hall. Those who pass civil service test
Level IV
Formal: Optional semi-closed systems; occupational skill pools
College graduate and trade school graduate placement, licensed-professional associations and journals, non-hiring hall union membership. CETA and work experience clients
Level V
Informal: Employer gate hires, applicant file
Active job search directly to employers
Level VI
Formal: optional private employment agencies, possible fee
Make application- possible fee
Level VII
Formal: Public employment service, optional
Make application and/or review orders at job information services
Level VIII
Want Ads optional
Obtain and read newspaper
ACCESS UNRESTRICTED
All occupations
Industries
Employer or Job Seeker
The Audience: Worker Job Search Methods

Project is currently developing the capability of counting all new hires in covered employment within a quarter, and identifying those that are rehired by the same company within a time frame. In Nevada, approximately 11.7 percent of all hires in 1975 were rehires.[4] In California, during the fourth quarter of 1974, rehires constituted 16 percent of all hiring activity.[5] The internal market, by definition, does not make use of market intermediaries.

Word of mouth (Level II) describes those jobs that are obtained through the personal contacts of job seekers. This is an informal, non-institutionalized process beginning either with the employers' announcement of their opening to those closest to them--employees, business associates, and competitors--or because employees themselves know of the impending departure of a fellow employee before the employer is apprised. Employers often first post such openings within their place of business so that employees may have first access for their family and friends. The aggregate number of transactions that take place through this method is very high, but the announcement of a particular opening goes to a micromarket. The person who gets the job has some personal connection, however remote, with the employer's circle.

The survey conducted by Camil of employers indicates that this "word of mouth" method is, in their perception, the most successful and the one they most prefer. The BLS survey found that 27 percent of successful job seekers secured their jobs on the basis of such informal information carriers, while Camil attributed about 30 percent to this method.

The potency of this recruitment method is reflected in the importance attached to it by the Equal Employment Opportunities Commission in their Guidebook for Employers, and it has been the subject of substantial judicial condemnation. Numerous courts have found that the "word of mouth recruitment by a substantially all-white work force has the effect of replicating the racial characteristics of the existing work force."[6]

4/ The Nevada Employment Service Potential Project, Draft (San Francisco: Region IX, U.S. Department of Labor, Employment and Training Administration, December 1976).

5/ Employment Service Potential, Draft (Sacramento: California Employment Development Department, June 1977).

6/ Barbara Schlei and Paul Grossman, Employment Discrimination Law (Washington, D.C.: Bureau of National Affairs, 1976).

The formal closed systems (Level III) are non-optional. Both employer and job seeker are required to use the mechanism, be it Civil Service or the union hiring hall, to find each other. In one instance, the broadcast is limited to those workers who have succeeded through the "rites of passage," attained union membership and met all union requirements that pertain to being dispatched to a job. Though anyone can apply for Civil Service employment, the job opening itself can be filled only by those who have passed the Civil Service tests and met other requirements. Level III jobs are made available to a larger body of job seekers only when the hiring hall cannot supply the workers, or the Civil Service lists are exhausted.

The formal, semi-closed optional systems (Level IV) consist of various institutions that act as intermediaries between a pool of jobs and workers with specific occupational skills or training. The use of these systems is optional for both principals. The intermediaries include, but are not limited to professional associations, their journals and placement services at regional and national meetings serving highly specialized professional and technical fields; college placement, trade school placement, and many employability development government programs which provide employers with pools of newly trained workers who are already in the system; unions, without hiring halls, that provide employers and members with a referral service. Though employers may be free to recruit from other sources, membership in the group insures an experienced or qualified worker pool, and thus the referral service functions for members, trainees, or graduates only.

The optional semi-closed systems may involve a wider circle to which the job opening is broadcast, but they are nevertheless circumscribed by the controlling mechanisms which often operate to contain the audience to which the job is broadcast. Together, Levels III and IV, the closed and semi-closed systems, account for approximately 8 percent of the successful job search method of workers, as extrapolated from the BLS survey data.

Employer gate hires (Level V) refers to those matches that occur as employers hire individuals who come to their establishment in search of work. The BLS study indicates that this method by job seekers accounts for more hires than any other. The BLS interview asked respondents if they had "applied directly to an employer without suggestions or referrals from anyone"; 35 percent reported that this is how they found their jobs. Since a respondent could have reasonably concluded that the term "anyone" does not cover want ads, the 35 percent may be slightly overstated.

Such job seekers, through their self-propelled behavior, move themselves into a position where they can hear the employer's announcements. The direct employer contact method is used with varying degrees of sophistication by all kinds of job seekers. There are those with highly sought after skills, credentials and experience, who know their own market far better than any intermediary possibly could, know where the jobs are apt to occur and are essentially seeking depth information upon which to make a choice. Others, less assured of their place in the queue, conduct a purposeful, well-organized search for work, concentrating their efforts on the company, industry, location, or occupation in which they are interested in establishing themselves, and using the job search as a means of increasing the extent of their knowledge. There are, however, those--most often in unskilled, low-pay occupations--who conduct an aimless, limited, "hit-and-miss" search, returning to the same few known employers on a prescribed route, or presenting themselves to the employer with the defeatist "I'll take anything" approach. Such job search is uneconomical and wastes the worker's time and money.

Though the direct approach method is theoretically available to all job seekers, large numbers--34 percent, according to BLS--did not use it to get their jobs and may, because of timidity or lack of knowledge, require intermediation. And large numbers of smaller, less prominent enterprises may never have the opportunity for a gate hire.

There is considerable empirical evidence that employers prefer to hire people who make an independent search for work to those who are sent by a public agency because they regard the former individuals as better risks in view of the demonstrable self-propelled desire for work. ES referrals are often viewed, perhaps unfairly, as less work-oriented individuals who are forced by the requirement of the work test to accept referrals.

In all, according to BLS, roughly two-thirds (61 percent) of the job-person matches that take place do so through the two informal methods (Levels I and V) without requiring employers to broadcast the vacancy information beyond their immediate environs, and without the intervention of a formal third party.

The private employment agencies (Level VI) are a formal public intermediary to the degree that there are no institutional barriers to their use by either job seeker or employer. They are one of the options available in those occupations in which they operate a brokering service. The option, however, is not open to all job seekers, even within those occupations. Not only do agencies charge a fee to either party, but they can and do cream the population and the jobs that come to them. Neither ES nor the want ads have such prerogatives. Want ads are available to everyone, and ES is obliged to continue to work for and with the less qualified applicant as a matter of law and public policy. The contrast tends to cast the private employment agencies into the role of an outstationed employer personnel office as well as a public intermediary.

A private agency tends to specialize in groups of related occupations or in particular industries or fields of work such as medical and food services. According to Camil, the fee was paid by the worker in 60 percent of the jobs obtained through this mechanism.[7] A high proportion of the individuals placed by private agencies in mainly white collar jobs were young, white women. The activities of the private agencies are cloaked in so much secrecy as to defy a direct study of their impact, practices, and labor market role.

Our study, then, is measuring and comparing the choice made by the employer between the two most ubiquitous formal intermediaries, ES (Level VII) and the help wanted ads (Level VIII). Together with private agencies, these intermediaries account for about a quarter of the jobs found by job seekers.

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[7] This percentage may be influenced by the size of the cities in the Camil study. Larger cities would tend to have a higher volume of upper bracket administrative and professional jobs, with the fee paid by the employer.

Percentage of Job Seekers Who Found Jobs, by Public Intermediary

	BLS	CAMIL
Want ads	14.0%	16.6%
ES	5.1	5.6
PEA's	5.6	5.6
Total	24.7%	27.8%

The rationale for the comparison comes from the conviction that the want ads and ES are more similar to one another than either is to any other intermediary. The following reasons are offered:

- Each is a mechanism accessible for unrestricted use to all occupations, industries, employers, or job seekers.
- Neither workers nor employers are compelled to use want ads or ES as an exclusive method for filling openings or obtaining jobs.
- Unlike other labor exchange mechanisms, want ads and ES are able to maintain very little, if any, control over the volume or the characteristics of their users, be they employers or readers/job seekers.
- The use of either involves an active, formal act on the part of the employer which steps beyond the search within his or her own circle or environs.
- Neither charges a fee to employer or job seeker for the brokering service, though there is a minimal cost to the employer for advertising a job.
- Both operate in the same local market, subject to the same economic and demographic conditions or competition from other hiring channels.
- Both are central repositories for disseminating job vacancy information which is available to the general public.

There are, however, critical differences between the two:

- Though both receive and disseminate vacancy information, only ES provides the broker function--the task of effecting a match.
- Want ads are a commercial venture. This venture's *raison d'etre* is revenue and it is not centrally concerned with serving the local labor market or fulfilling a social or

economic function for the community, though it may actually do so very successfully. ES is a government agency mandated to provide a labor exchange service to all elements in the community. Its major purpose is to order the labor market and facilitate its functioning. Its main users are the local employers and job seekers.

- Want ads are disseminated to a much larger, more diverse audience which includes individuals who are only marginally seeking work. ES has a far smaller clientele consisting of deliberate job seekers.

The hypothetical model is set forth as a process, and is unrelated to the level of unemployment or to other special circumstances which would affect the volume and velocity of jobs that filter down to the public domain. A tight market would, of course, drop a larger volume of jobs more quickly into the lap of the public intermediaries.

A number of conditions may cause some employers to place jobs in the public domain more quickly and more frequently than other employers. The Federal Contractor Job Listing Program,[8] commonly called Mandatory Listings (ML), requires most government contractors to list most of their jobs with ES in order to insure preferential treatment for Viet Nam era and disabled veterans. Title VII of the Civil Rights Act[9] may impel employers to place their jobs with either or both intermediaries to fulfill an affirmative action policy, though nothing in either mandate implies that the *hiring* pattern would depart from the sequence of preference suggested by the diagram. In addition, special conditions suited for the public broadcast of jobs might include new employers establishing a plant requiring the recruitment of a full complement of workers; a foreknowledge or assumption on the part of the employer of scarcity in a particular speciality; an employer hiring so infrequently as to know little about worker pools.

However, none of these conditions seriously impinges upon the essential thesis that employers' preferences and obligations in their use of intermediaries are endemic, creating a "last resort" public market with definable characteristics.

Though everyone throughout the pyramid has access to the jobs that appear publicly, the persons in the lower portion of the pyramid do not,

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[8] Title 38, United States Code

[9] As amended by the Equal Employment Opportunity Act of 1972.

at a given moment, have access to the jobs that appear in the upper segments. Inherent in the process is a tendency for a decreasing share of the total vacancies that occur to be announced to an enlarging competing audience.[10] And the fact that there were no takers in the more restricted markets lends credence to the assumption that either the job is less desirable than jobs that were filled or that there are fewer individuals available with the required skills, and, therefore, to find them requires a wider broadcast.

Labor Exchange Models

As has been said, the critical difference in services provided between ES and the help wanted ads is in the broker function: want ads are purely a broadcaster of labor market information. ES, though it broadcasts its jobs in the job information centers and permits a measure of self-selection, is also presumably a brokerage. As used here, "broker" describes a variety of specific activities which call for an increasing degree of intermediation at each step. These might include:

- *Narrowing the audience* by providing accurate job descriptions, titles, and codes.
- *Controlling* the flow of applicants.
- *Giving information* which shapes the expectations of either employer or job seeker.
- *Searching the market* within and outside the institution for the worker or the job.
- *Selecting* an appropriate worker or an appropriate job.
- *Selling and convincing* either party to accept contact.
- *Arranging the meeting*.
- *Following up the results*.
- *Continuing* with other match efforts if the first fails.

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[10] Evidence strongly supportive of this assumption has recently come to light with initial data from the Employment Service Potential Project (op. cit.). Turnover rates, based on a count of new hires per quarter, are actually vastly higher than has heretofore been estimated.

The dual broadcast-brokerage role played by ES is analytically confusing. Because each of the two commercial intermediaries is more purely one or the other, a dissection of their basic behavioral and organizational elements provides a vantage point from which to view ES in its permutations.

The Broadcast Model

The help wanted ad section can be likened to the owner of the premises of a farmers' market which rents stalls. The owner has rules for use, he provides the premises and the parking space. But, essentially, each stall occupier decides how to display his goods, what he will sell, and for what price.

The help wanted ad section is rewarded in proportion to the volume of labor market information received on the one hand, and the dissemination of that information to the public through sale of newspapers on the other. It offers the information to an indiscriminate applicant supply; any reader is a potential user of that labor market information. Its responsibilities end with the display of the ad.

Internally, the newspaper has discrete structures to deal with each side of the labor market and one has no relationship to the other. The classified ad section deals only with the employer and other advertisers. The job seeker, as a member of the public, is the concern of the circulation department. The "sales" efforts--to increase revenue either through the sale of more help wanted space, or the sale of more newspapers--are unattached to and unrelated to the labor exchange processes.

Job seekers using want ads are engaged in a self-screening process. Employers may, in fact, employ screening devices within the ads. Such devices include suppressing the identifying information, requiring a letter or telephone call in response, or using highly technical ad script to discourage inappropriate responses. The employer could also induce responses by suppressing negative information or distorting earning potentials.

The relationship between the employer and the want ad taker is totally impersonal. Any one of many ad takers may respond to the telephone order. The person taking the ad makes no claim to expert knowledge of the supply side of the market, nor of occupational variables or prevailing rates. The newspaper bears no responsibility for the outcome of the ads.

The Broker Model

The broker role of the private agencies is akin to that of the marriage broker: If the meeting between the two "takes," the broker has earned his fee.

Awards are entirely dependent upon effecting a match between job seeker and employer, whichever pays the fee. The job and applicant information is owned, controlled and, in fact, sold by the broker. No effective self-screening is possible. Only a small portion of the job volume is publicly displayed in a newspaper, and the information that is advertised is geared to attract business to the agency rather than to broadcast specific openings. The critical, detailed, identifying information is not divulged until a screening process has taken place and the third-party role is insured.

To exercise the brokerage function and fulfill the promises inherent in it, certain behavioral and organizational characteristics are evident:

- The same person must deal with both sides of the market. This is an essential ingredient of brokering in any field.

- The expertise claimed by the broker can best be attained or simulated if the broker narrows the playing field to a group of occupations or an industry where the brokering activity is most likely to be needed.

- The relationship requires a high degree of personalization in order to develop trust since the "professionalism" of the service offered is somewhat amorphic. To ensure return business, it is necessary to fulfill the role of a surrogate for those sources of information that are in Level II--word of mouth--and are in closest proximity to the employer.

- To fulfill the implied promise to make an active search of available workers or jobs for the best possible match, the same person who is responsible for the match is also involved in an active search for new business--seeking applicants in order to keep the promise to the employer or soliciting employers for job listings in order to keep the promise to the job seekers. Private employment agencies do not separate these functions. They all reside in a single person, as they do in most middleman, broker activities.

- Private agencies depend heavily on job development to make matches, and do not restrict themselves to "house" orders (i.e., unsolicited jobs placed by employers).

- Private agencies tend to refer only one applicant for an opening rather than a number, though this practice is not universally adhered to.

- When the employer or the job seeker does not get any response or gets a poor response to the enlistment of intermediary aid, the onus for the failure falls on the broker--not on the economy, the quality of the jobs or the applicant supply. Once the broker has accepted a client, he essentially accepts responsibility for failure.

- Whoever pays the fee, the job is owned by the employer. Hence the broker becomes the outside personnel officer for the enterprise, a consultant brought in to perform a specific task. Employers either pay for that service themselves, or pass recruiting costs on to the job seeker who pays the fee, depending on the skill level and supply/demand conditions.

- Brokers limit their activities, cream the supply, seek more salable applicants and more desirable, higher paid jobs upon which to spend their energies since the commission is the source of their livelihood. Their greatest advertising emphasis is placed on bringing in a stream of people rather than jobs, so as to cull out the less attached, less desirable, more numerous audience and find those applicants for whom better jobs can be developed. 11/

The two models have conflicting elements since broadcasting the job makes self-selection possible which reduces the need for a broker.

The Employment Service

The structure and procedures in ES clearly contain elements of both models:

- To the degree that it determines what information is extracted from the employer and applicant, organizes and clarifies it, and also controls the referrals, it emulates the broker model.

- It is rewarded for selecting, referring, and placing applicants--a broker characteristic.

11/ The information about private employment agencies is garnered from discussions with owners of both applicant and employer fee paying agencies, both franchised and individual firms. It is not presented as representative but does offer significant insights. Respondents agreed that they (a) place 20 percent of their applicants, (b) fill only a small portion of the "house" orders, and, as much as 70 percent of their placements are a consequence of job development.

- Like the broadcaster, ES subjects all jobs to essentially the same process. It makes no formal or operational distinctions among jobs in terms of the degree of brokering effort expected, needed, or possible.

- To the degree that it structurally separates dealings with the applicant public from dealings with the employer, it emulates the informational model. The centralized order-taking unit is a near replica of the want ad taker.

- When the outside "sales" force is separated from contact with the two principals, it emulates the broadcaster.

- Occupational or industrial specialization glides along between the two models, though centralized order taking has significantly decreased occupational specialization, sending the agency in the direction of a broadcast model.

- Because of placement definitions, and the pressures of job order and applicant flow, ES staff depends heavily on "house" openings for making the match, with limited effort to develop jobs for applicants. This is a serious departure from the broker model.

- Job Bank and computerized job-person matching clearly moves in the direction of the depersonalized information model, despite the matching function of the computer, unless the computer is used as one of the tools of the broker.

- Displaying all or nearly all the job orders for public scrutiny and self-selection increases the tendency toward the labor exchange broadcast model, though the withholding of identifying information clings to the broker function.

- Unless otherwise specified, ES tends to refer three applicants for one opening which deviates from the broker practice to a degree.

- The degree to which ES is all-encompassing and does not cull the audience, test, reject, and reduce its applicant users, it emulates the broadcast model.

This, then, brings us to the study in question. When employers enter their vacancy into the public domain, what are their criteria for choices among the available intermediaries? When and why do employers choose to use both ES and want ads? What are their expectations from both? When they use both for the same occupation, is it fair to assume that they perceive both as providing access to a pool of job seekers from which to draw referrals--the broadcast function?

The Camil Study, which is based on interviews with sample employers, provides a profile of employer use and perceptions of ES, some of which are particularly relevant to our study. For example, employers have a range of different expectations when placing an order, and various degrees of complaint or satisfaction. Only 31 percent of the employer users of ES expected careful broker-type screening. Another 14 percent wanted preliminary screening. However, fully half of the employers in the Camil Study expected nothing more than that ES send "qualified people," and, according to Camil, this latter group used ES as a centralized mechanism, dropping their vacancies into a pool of known job seekers. The study further suggests that the greatest amount of dissatisfaction with the agency stemmed from those employers who had apparently regarded it as a broker and were dissatisfied with the quality or the absence of referrals. It appears that employer users of ES expected and wanted response to their job orders more quickly than the average employer interviewed. In examining recruitment methods used, Camil found that ES was seldom used exclusively. The most common combinations of intermediary use were ES with newspapers and one other method and ES with private agencies.

The ensuing chapters provide insights into the labor exchange role played by ES. The agency can do only that which is asked of it by employers and workers who own the jobs and the skills. There is little to be gained by criticizing a public institution if it fails to do that which is beyond its scope and power.

2. DESCRIPTION OF THE PROJECT

The rationale for the data collection procedures used in the study can best be illustrated by following a composite job seeker, engaged in the search for work at different times and with varying degrees of intensity. The person (henceforth referred to as JS), is neither interested in nor eligible for training, work experience, on-the-job training, or any subsidized employment opportunity emanating from manpower programs. JS is willing to accept full- or part-time, temporary or permanent work, except casual labor lasting three days or less. He/she is literate in English and free of those physical handicaps that would interfere with a visit to the local ES office. Our job seeker is unwilling to commute beyond usual commuting distances for the labor market area, unwilling to pay a fee for obtaining a job, and is generally reluctant to respond to the ads placed by private employment agencies. The person may or may not use various other job search methods, but this study perceives the labor market through that job seeker's experiences with help wanted ads and ES listings only. Our job seeker lives in any of the 12 areas under study and looks for a job periodically and sometimes every day.

In the periodic or daily search, JS encounters the stocks and flows of jobs placed by employers in the two intermediaries, which are the source of the data. This chapter describes the files, the study sites, and the way in which the data are handled.

The Basic Files

The study draws on two data sources--want ads and employment service listings--which are organized into three files for analysis: the stock, the flow, and the match studies.

Stock Data - The First Day of Search

Our composite job seeker begins the search for work on the first day of the month, after all orders closed during the preceding month have been removed from the active ES file and before new ones have been added. When visiting the ES office, JS has access to all open orders in the office on that day. On the closest Sunday, JS examines every ad listed in the help wanted columns, rejecting those jobs that cannot be located within the area, those ads placed by private employment agencies, and those that appear to be earning opportunities other than jobs. All ads placed by employers for work within that same labor market area are presumed to describe jobs that are open and available.

The stock analysis consists of a comparison between the opportunities for work found in each system at 12 monthly intervals, beginning with the end of June 1974 through the end of May 1975 in 12 labor market areas. Comparisons are made by volume, occupation, and other characteristics. Thus, we follow JS through a set of 12 periodic snapshots of the inventory of job listings in each of the two public intermediaries--ES and help wanted ads.

Flow Data - The Daily Search

In the flow study, the stance and image of the person are altered. JS now has a prodigious memory and is engaged in an active, daily search for work. Beginning with the last Sunday in September 1974 (a stock day), JS scans each daily edition of the newspaper want ads for four weeks. Brushing aside the ads seen the day before, JS selects only the new listings. In daily visits to ES, beginning with the first working day of October, JS also selects only the new listings. The flow analysis consists of an examination of new jobs that flow through each system during four weeks in October, and a comparison between the two in the 12 areas, by volume, occupation, and other characteristics.

The total opportunities to which JS is exposed in a month consist of the first day's stock plus the subsequent new listings, referred to as October jobs.

Matched Data - Encountering the Same Employer

Some employers listed jobs in both mechanisms during the flow month. These employers are identified by industry, and analyzed by the volume and occupational character of the listings in each intermediary, the sequence of use in the two intermediaries, and the length of time jobs appear as open.

Study Sites

The selection of study sites was subject to a variety of considerations which included feasibility constraints as well as the appropriateness and diversity of all relevant conditions.

Scope

Of the 12 areas selected (Table 2-1), 11 incorporated an entire standard metropolitan statistical area (SMSA). Where the jurisdiction of the local offices serving the SMSA extended beyond it into territory with little economic activity, the geographic scope for the study was extended to encompass the local office jurisdiction. It was unfeasible to include the full SMSA in one area--Syracuse. For that site, the study was limited to Onondaga, one of the three counties in the SMSA. The Portland SMSA is as of the study period and not as redefined in March 1976. Jobs listed in want ads were located geographically to correspond with area perimeters.

Characteristics of Study Sites

Three SMSAs were chosen in each of four population ranges:

Group A:	A million or more
Group B:	500,000 - 1,000,000
Group C:	250,000 - 500,000
Group D:	Under 250,000

As can be seen in Tables 2-1 and 2-2, the areas selected differ substantially in percentage of minorities, number of employing units, percentage of work force in blue-collar occupations, severity of unemployment, hourly earnings in manufacturing, and percentage of workers in low-pay and low-status jobs.

The six largest SMSAs studied incorporate 80 percent of the population

Table 2-1. Study Areas by Population and Percent of Racial Minorities

Study area by size group	Population of SMSA	Percent of racial minority in SMSA	Population of city	Percent minority in city	Percent SMSA pop. in city
Group A					
Atlanta, Ga.	1,390,164	23%	496,973	52%	36%
San Diego, Ca.	1,367,854	8	696,769	11	51
New Orleans, La.	1,045,809	31	593,471	45	57
Group B					
Dayton, Ohio	850,266	11	243,601	31	29
Richmond, Va.	518,319	25	249,621	42	48
Syracuse, NY 1/	636,507	4	197,208	12	31
(Onondaga County)	427,746				
Group C					
Wichita, Ka.	389,352	8	276,554	11	71
Des Moines, Iowa	286,101	5	200,587	6	70
Jackson, Miss.	258,906	37	153,968	40	59
Group D					
Santa Rosa, Ca.	204,885	3	50,006	2	24
Portland, Maine	141,625	1	65,116	1	46
Boise, Idaho	112,230	1	74,990	1	67

1/ Though the population of the Syracuse SMSA falls in this group, a decision was made to limit the boundaries used in this study to Onondaga County only, which has a population of 427,746.
NOTE: The census designation "racial minorities" excludes persons of Mexican or other Latin origin.
SOURCE: 1970 U.S. Census

Table 2-2. Economic Characteristics of Study Areas

Study areas arranged by size	Number of employing units covered (1974)	Percent 1970 census employment in blue-collar occupations	Industries with unusually high employment (compared to other SMSAs)	Unemployment rate, 1974 annual average	Hourly earnings of Mfg. workers, 1974 annual average	Percent employment in low-pay, low-status occupations (1970 Census)
Atlanta	34,605	30.3%	Trade, Trans. Comm. Util.	4.9	$4.20	11.2%
San Diego	22,610	28.8	Government Services	7.8	4.72	13.4
New Orleans	18,979	32.5	Trans. Comm. Util. Services	7.7	4.42	14.8
Dayton	12,818	39.5	Manufacturing	4.6	5.33	10.5
Richmond	9,695	32.0	Construction	3.1	4.18	11.3
Syracuse (SMSA)	11,010	34.4	Manufacturing	5.2	4.75	11.5
Wichita	7,333	33.0	Manufacturing	3.7	4.53	11.7
Des Moines	6,895	28.0	Finance, Real Estate & Ins.	3.1	5.24	12.4
Jackson	6,050	29.7	Government	3.3	3.22	15.0
Santa Rosa	4,707	30.1	Agriculture Government	9.2	4.55	15.2
Portland	4,453	34.0	Finance, Real Estate & Ins.	5.5	3.68	12.6
Boise	4,827	26.4	Agriculture Government	4.6	N/A	14.2

SOURCE: 1970 U.S. Census; Research and Statistics units of State Employment Services in California, Idaho, Ohio, New York, Maine, Virginia, Georgia, Mississippi, Louisiana, Iowa, and Kansas.

in all the study areas; the combined populations of all U.S. SMSAs with population of 500,000 or more represent only 74 percent of U.S. metropolitan population. To this degree, the sample tends to overstate the case of big cities.

Feasibility Constraints in Area Selection

The area choices available for study were considerably narrowed by the following concerns:

1. Newspapers: To avoid the problem of duplicated ads, we had to select areas in which there was either (a) a single daily newspaper, or (b) publications which shared the same advertising copy.
2. Central cities: SMSA's with more than one large city were excluded not only because of the multiple newspaper problem but also because the survey design would be unnecessarily complicated if more than one center of job market activity existed in an area.
3. State boundaries: Because the collection of employment service data depended upon the use of tapes from state-operated computerized systems, areas were excluded which crossed state boundaries.
4. Malfunctioning or transitory systems: ORC was advised by the national office of the Employment and Training Administration against selecting those states where, in their opinion, the data processing systems were malfunctional or in transition, thus creating problems of unreliable or untimely data.

Selection of Newspapers

Since the study was restricted to the local labor market, only newspapers with a predominantly local readership were chosen. Publications such as the Wall Street Journal, which serve the national market, and professional journals were not included.

All daily papers published within an SMSA were included. Those that are published less than five times a week were excluded because the lapse of time between the appearance of the job and the stock date decreased the likelihood that the job was still open. The 19 newspapers selected are listed in Table 2-3. Help wanted ads from 705 editions were analyzed in this study.

Comparability and Integrity of Data

The study compares volatile information handled by two very different institutional entities. It was necessary to carve out precisely comparable perimeters as guidelines for accepting, treating, and manipulating the data.

The difficulty of ensuring a comparable unit of measurement in both ES and the want ads can be visualized in Figure 2.1. In ES a new job order is written for each discrete occupational code. In the want ads it is customary for an employer to use a single ad to list all jobs, but he/she has the option of splitting the ads, and sometimes does. The number of openings is generally unavailable from the want ads because of the use of plurals. However, the number of occupations is listed, providing a unit for comparison with ES.

In this study, each occupation listed within an ad was given a separate coding line and is the precise equivalent of a job order listed with ES. The findings represent a comparison of the frequency of all occupational opportunities available to the job seeker in each intermediary. For the sake of brevity, the want ad line (as against ad) and the ES job order (as against opening) are referred to in this report as "jobs" or "listings."

Accept-Reject Criteria

For consistency, it was necessary to establish rules for determining what to count as jobs in the two intermediaries. The count of job orders in ES and job titles in the help wanted ads was restricted to those kinds of jobs for which both operated as labor exchange. Listings appearing in one mechanism which were either barred or inconceivable in the other were eliminated in order to ensure comparability of the count.

Table 2-3. Newspapers in Stock and Flow Studies1/

Area	Number of papers	Newspapers	Weekly frequency	Editions in study	Paid Sunday circulation
Atlanta	2	Atlanta Journal	7	39	579,141
		Marietta Journal	6	35	25,288
Boise	1	Idaho Statesman	7	39	66,417
Dayton	5	Dayton News	7	39	223,194
		Piqua Daily Call	6	35	2/ 13,000
		Fairborn Herald	5	31	2/ 8,500
		Troy News	6	35	2/ 10,000
		Xenia Gazette	6	35	2/ 15,500
Des Moines	1	Des Moines Register	7	39	480,249
Jackson	1	Jackson Clarion	7	39	114,773
New Orleans	1	Times Picayune	7	39	308,474
Portland	1	Maine Sun Telegram	7	39	111,703
Richmond	1	Richmond Times	7	39	197,261
San Diego	3	San Diego Union	7	39	292,899
		Escondido Times	6	35	27,117
		Oceanside Blade	6	35	19,403
Santa Rosa	1	Press Democrat	6	35	56,118
Syracuse	1	Herald American	7	39	241,396
Wichita	1	Eagle Beacon	7	39	187,620
TOTAL	19			705	

1/ The data for this table, excluding those in footnote 2/, were taken from ABC Audit Reports.

2/ Taken from information in the daily papers. In some cases, there were no Sunday editions; thus weekday editions were used for the stock study.

Figure 2.1. Illustration of Units of Measurement

ABC Company Requires

4 Salespersons
2 Clerk Typists
1 Janitor

As jobs would appear in employment service listings

ABC Company
No. of openings: 4
Occ: Salespersons

ABC Company
No. of openings: 2
Occ: Clerk Typist

ABC Company
No. of openings: 1
Occ: Janitor

Employment Service

1 Employer
3 Orders
7 Openings
3 Occupations

As jobs might appear in help wanted ads

ABC Company

Salespersons
Clerk Typists
Janitor

Want ads

1 Employer
1 Ad
Unknown openings
3 Occupations

Want Ads Accepted or Rejected

In the newspapers, all ads in all editions were counted. However, in order to be incorporated into the want ad stock or flow data file by job title, the following criteria were established, in keeping with the profile of the single job seeker.

1. Advertiser: The advertiser of the job had to be the employing unit. Generally, jobs listed by private employment agencies or training institutions were rejected since this study is examining the behavior of local employers in their choice between ads and ES.
2. Location: To be accepted, the job had to be located within the geographic boundaries of the SMSA or the jurisdiction of the local ES office.
3. Other earning opportunities: To be accepted, the listing had to be for a "job" rather than for types of earning opportunities not accepted as a job by ES in all areas. Such "jobs" include recruitment into the armed forces, Peace Corps, or other semi-volunteer activities, temporary employment agencies, and commission-only sales jobs. Employment services vary in their practices, and acceptance and rejection of the ad depended upon the local ES policies in regard to putting such "jobs" through the computer system.[1]

In establishing the want ad flow file, the same criteria pertained with one additional reject factor: If the ad appeared in the newspaper edition the previous day, it was counted, but not coded as a new listing.

Employment Service Orders - Accepted or Rejected

Criteria for accepting an ES job listing into the stock file:

1. Order status: The job had to be open and therefore theoretically available to the job seeker.
2. Location: The job had to be within the SMSA, or the local ES office jurisdiction.

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[1] Many offices display such opportunities but they are not entered into the job bank.

3. Duration: Listings for jobs that would last three days or less were rejected since there are no comparable listings in the want ads.
4. Special orders: Opportunities for enrollment in employment and training programs, such as work experience, Job Corps, National Alliance of Businessmen, summer youth jobs, on-the-job or institutional training, and so forth, were rejected because they are intended for special or preselected segments of the applicant supply which have no counterparts in the want ads.
5. Mandatory listings: Even though they have no clearly identifiable counterpart in the newspaper, mandatory listing job orders were accepted into the ES file because they are open to everybody. There is no way of estimating the degree to which the jobs would be listed with ES if there were no mandatory listing program. So that their impact on ES could be understood, they were identified by code.

Criteria for establishing the flow file were the same as for the stock file, except that, by definition, only new jobs appearing in the system during the four-week study period were included in the flow file.

Problems in Matching Employers

Because some want ads do not contain information that identifies the employer who placed them, it was not feasible to get a complete file of employers who used both public intermediaries in this study. However, by matching telephone numbers of help wanted advertisers and ES patronizers it was possible to identify the majority of employers who used both services in eight of the 12 study areas during October 1974.

The matched employer file represents nearly 100 percent of all ES users in the covered areas but only 68 percent of the want ad employers. We just do not know what proportion, if any, of the remaining 32 percent of the help wanted advertisers also used ES since we do not know who they are. Nonetheless, the file of "common" or "multi-media" employers (i.e., those who used both intermediaries) that were identified afforded a rare opportunity to observe the recruitment behavior of such employers, including their differential treatment of the two intermediaries.

Slippages: The job market itself is highly volatile. Jobs open and close within hours. It must always be assumed that there is a time lag between the actual status of a job and its appearance or disappearance from either mechanism. For example, jobs remaining in either system through two stock periods could be counted twice, just as an old job could reappear and be counted as new. The same script could actually describe two different jobs. Two papers in an area could carry the same job. Advertisers could limit themselves to Sunday only. Some offices mail their orders to the Job Bank. Some newspapers require that ad script be submitted by Thursday for Sunday printing.

Most of the possibilities for slippage were pursued, tested, sampled, and quantified during the study. Altogether, the factors proved to be insignificant in the face of the large data base. In addition, they tended to equalize one another. Slight over- or undercounts in ES listings inevitably found their counterparts in want ads. As a result, ORC came to the conclusion that the data were firm and did not require additional correction or adjustment.

3. THE TWO PUBLIC INTERMEDIARIES

Having sketched the scope and indicated the methodology of this study we turn now to a closer look at the two intermediaries that were studied with particular emphasis on the process of order taking at both the newspaper classified ad desk and ES in order to illustrate those elements that might influence employer decisions in selecting a recruiting channel. In all 12 areas, the employer needed only to use the telephone to place a want ad or post an order with ES. This analysis then is focused on how each of the two institutions deals with the telephone call, how it is taken, who takes it, what happens to it, and how it is presented to the public.

Calling the Employment Serv[illegible] 1/

Any employer who telephones his job opening to any employment service installation is asked to give almost exactly the same type of information and is generally bound by the same restraints and the same policies of acceptance or rejection anywhere in the United States. If the job is displayed, the information is presented in exactly the same format as every other job displayed.

Staff uses uniform job order forms, which require the employer to provide information identifying (1) the firm or individual, (2) the activities, (3) the location of the job, (4) the conditions of work, including wages and hours, and (5) a job description and the skills, knowledge, and abilities required.

Interviewers taking the order, in whatever setting, are trained in occupational analysis and the use of the Dictionary of Occupational Titles (DOT), and the Standard Industrial Codes (SIC). Enough information is extracted from the employer about the specific tasks involved in the job to enable the interviewers to assign an occupational title and a six (sometimes nine) digit occupational code in accordance with the dictionary. The title assigned by the interviewer may be more specific or different from the title used by the employer. Thus, "clerk" becomes either "sales clerk" or "clerk-typist." "Management trainee" is apt to become "salesperson."

1/ The ensuing discussion is a synthesis of interviews conducted with ES staff, combined with printed material provided to ORC staff.

The interviewer also extracts enough information about the company activities to assign an industrial code.

For placement action, the distribution of the order follows the particular path prescribed by the organizational structure and policies of the local ES. Where the order is taken by a centralized order-taking unit, the information is entered into the Job Bank system to be dispersed to various local offices and possibly to community organizations, usually on the following day. If it is the policy of the area or state to display the jobs to the public, a suppressed copy (omitting employer identifying information) is made available for public scrutiny by microfiche and viewer, from which job seekers select job listings. The interviewer has the unsuppressed information available, and provides it to the applicant when a referral is made.

In some areas, the process is reversed. The order is taken in the local office and copies are then sent to Job Bank for display in other offices and for statistical count. Placement interviewers and veterans' representatives also search the applicant file for appropriate referrals. In some areas (though none in this study), the first-cut matching of people to jobs is computerized.

To be exposed to the job, the job seeker must go to the local office initially. The job appears as an open order within the system and therefore is available to the job seeker until it is placed on hold, filled, or canceled. Changes in job specification are often made during the life of the order. The flow of referrals to the employer is controlled in accordance with the employer's wishes.

The process of calling an order to ES often aids employers to better organize and define their needs. Order takers are frequently solicited for assistance in determining prevailing wage rates and the quantity and quality of the applicant supply. The language used on the order is totally controlled by ES interviewers who are normally trained to insist on specificity and fullness of detail.

Interviewers are prohibited by law and policy from accepting job orders when the employer designates a racial, sexual, or age bias. Jobs are refused if they involve a fee or investment by the job seeker, if they are in an establishment that is on strike, or if there is evidence that the activity is illegal or immoral or that the information offered is untrue.

Calling the Want Ads[2]

In contrast, employers who telephone their vacancies to the newspaper classified advertising department retain almost complete control of the job information offered and the format for its display within the ad. The one consistent prerogative of the newspaper is the determination of the ad's location within the want ad section. The ad takers often do offer the employer advice and assistance with wording and abbreviations but, being untrained in occupational definitions and job descriptions, they attempt only the most minimal manipulation of content. Thus, employers are generally free to assign any title they want to the job, to divulge or obscure whatever information they choose. Employers desiring to obscure their identity completely can rent a newspaper box for written responses to their ads for $1.50 to $3.00 per month.

As with other advertising, the laws regarding false or misleading information prevail, but depend upon user complaint for enforcement. Responsibility for adherence to the provisions of Title VII of the Civil Rights Act of 1964 (as amended by the Equal Opportunity Act of 1972), are ambiguous. Newspapers generally do not want the onus or responsibility for determining whether ad script does or does not fall within the law. The industry's own written standards of acceptance are not binding and are therefore applied in widely different ways among the newspapers studied. Employers would, however, encounter resistance from nearly all of the papers studied if they attempted to use language explicitly exhibiting racial bias. On the other hand, though the newspapers might inform employers of the law, they would generally accept ads with age or sex designations.

Rates are based on the size of the ad and the length of time it runs. Rates vary from paper to paper but are generally a function of circulation volume. The ad taker usually suggests a "special," a combination of space and days whose rate is most advantageous to the advertiser. A large firm, one with high turnover, or a new firm engaged in large-scale hiring might take a long-term contract (three months to one year) assuring minimum daily usage and reducing cost per line. Such contracts result in heavy usage by a comparatively small number of employers.

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[2] The ensuing discussion is a synthesis of interviews conducted with classified advertising managers of the study newspapers, combined with a scrutiny of printed material provided to ORC staff.

If the advertiser wants an ad to appear in the Sunday paper, he/she has to phone it in by either Thursday or Friday. The deadline for the daily editions is usually the day before.

The employer has the right to correct an error in an ad only after the first day's appearance. Any change in its script during the life of the ad involves extra costs. If an advertised job is filled before the end of the ad contract period an employer can cancel the contract and lose the financial advantage of the contracted rate. This is not a frequent occurrence.

Profile of the Employment Service

Tables 3-1 and 3-2 together provide a statistical profile of the employment service in the 12 areas.[3/] The tables array the characteristics of the 12 agencies and their activities according to the size of population served by the offices, from largest to smallest.

An installation of some kind existed at some point during the study period in 30 different communities in the 12 areas. Eighteen installations were located in the 12 central cities. Small mainstream offices, sub- and seasonal offices were located in 18 additional communities. A total of 717 professional staff served the 30 communities.

Labor Exchange Variables in the Employment Service

Almost universally, local office administrators who were interviewed bemoaned the loss of "personalization" in dealing with the employer, which they attributed to the advent of Job Bank and centralization of order taking. The constant administrative reorganizations and revised procedures typical of many areas appeared to revolve mainly around the apparently unrecognized

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[3/] For readers who are concerned about the adequacy of counting orders rather than openings, Table 3-2 offers some benchmarks and insights into the relationship of orders to openings. Though the ratio ranges from 1.4 to 2.5 in the various areas, the average relationship is 1.8 openings for each order.

Table 3-1. Employment Service Characteristics, by Area[1]

Area	Sites[2]	Discrete communities[3]	Number of staff[4]	Ratio of population of area served to staff
Atlanta	5	3	98	14185
San Diego	9	7	123	11121
New Orleans	4	3	107	9774
Dayton	3	3	58	14660
Richmond	2	1	32	16197
Syracuse	1	1	71	6025
Wichita	2	2	66	5899
Des Moines	1	1	35	8174
Jackson	1	1	63	4110
Santa Rosa	4	6	18	11383
Portland	1	1	26	6744
Boise	1	1	20	5612

[1] Best synthesis possible from information obtained at the beginning and end of the study. However, seven of the areas changed local office numbers and administrative structures during the data-gathering period.

[2] Installations include offices regarded as branches of central offices and the centralized order taking units.

[3] Discrete communities were determined merely by the existence of a separate community name.

[4] Administrators were asked to limit the staffing information to ES permanent professional staff funded under Title III.

Table 3-2. Local Office Activities, by Area[1]--Monthly Averages for Study Period

Area	New applications	Percent minority	Percent poor	Orders received	Openings received	Placements	Average openings per order	Ratio of openings to placements	Placements per staff
Atlanta	10757	46%	31%	1295	2488	1108	1.9	2.2	11.3
San Diego	7705	29	41	2221	5637	2133	2.5	2.6	17.3
New Orleans	5067	55	33	1555	3101	2130	2.0	1.5	19.9
Dayton	2625	22	39	506	895	363	1.8	2.5	6.3
Richmond	2386	47	15	765	1563	824	2.3	1.9	6.4
Syracuse	1305	13	9	653	1580	455	2.0	3.4	25.8
Wichita	1973	18	25	835	1413	876	1.7	1.6	13.3
Des Moines	1447	9	11	1005	1578	1009	1.6	1.6	28.8
Jackson	2360	53	20	635	1001	828	1.6	1.2	13.1
Santa Rosa	1385	14	40	396	648	515	1.6	1.3	28.6
Portland	724	13	26	322	462	296	1.4	1.6	14.1
Boise	1245	4	7	638	931	671	1.5	1.4	33.6

[1] Synthesis of ESARS Tables 7, 12, 90, and 91 combining all reporting units in an area.

dichotomy between the broker and broadcast roles. Seven of the 12 areas underwent significant changes during the course of the study. These changes involved (1) elimination of local offices, (2) establishment of new satellite offices, (3) changes in the role of the centralized order taking unit, and (4) reduction of community participation in the Job Bank--all of which created considerable feasibility problems in extracting data.

It appeared to us that ES is caught in a tug of war between the two models (broker and broadcast). What is more, the agency seemed to be going in both directions at once. Some of the 12 areas were planning greater centralization and computerization, while others were establishing satellite offices, decentralizing the order-taking process, and reestablishing occupational desks.

ORC attempted to isolate and define the critical structural forms which tend to favor or give rise to one or the other labor exchange model. Structure does not in itself ensure execution. An office modeled along broker lines does not ensure a high degree of personalization when dealing with the employer. Other variables may be more significant. Nor is there certainty that an organizational format favoring an informational labor exchange function would necessarily preclude personalization or brokering activity. Individual interviewers throughout the country are forever engaged in devising ways to undercut or overcome established systems that tend to interfere with their ability to broker. Nevertheless, the framework generally tends toward support of one or the other model.

The following questions were formulated:

1. Who takes the employer's job order? Is it taken by the same staff responsible for filling it? Are dealings with the two sides of the market united or separated organizationally? A separated structure favors the informational model. The performance of both functions by one entity favors the broker model.
2. Is there occupational or industrial specialization in taking the job order or the work application? Specialization tends to favor the broker model.
3. What is the relationship between those staff assigned to employer relations and those to order taking and filling? Is getting "new business" within or outside the matching

function? Where is the employer relations unit housed? Intimacy between taking and filling orders and new business efforts favors the broker model.

4. Are the job orders displayed to the public? Is there a job information service? A public display of all listings obviously is an act of broadcast, despite the removal of employer-identifying information. A broker model withholds job information from the job seeker and relies primarily on the third-party role for a match.
5. What special programs exist to personalize contact with employers and increase their use of the agency?

A model scale of zero (0) to 10 was devised, with "0" representing the pure information model and "10" representing the pure broker model, and each area was appraised in terms of the above questions to test the impact of labor exchange style on the findings.

All offices outside the central cities and those in the three smallest cities in the study (Santa Rosa, Boise, and Portland) generally emulated the broker model in that the order was taken in the local office by the same person or persons who deal with the applicant. Occupational specialization appears to be strictly a function of the volume of orders and size of staff. Outside employer relations are either conducted by the manager or by periodic visits of interviewers. However, all but one of the offices did display the jobs to the public.

The tug of war is most evident in the central city offices of the remaining nine areas. The three largest areas in the study offer marked contrasts. One is a classic example of the information model. Order taking is strictly centralized. The employer relations unit is citywide and centralized. There is no occupational specialization in either order or application taking. Local offices in the city are discouraged from accepting orders from employers. Not only are jobs open to the public, they are shared with other community organizations. Computerized job-worker matching is an imminent development.

The second of the three large areas had been cast in the same form as the first but, in the course of the study, began the process of decentralization and the establishment of satellite offices. What effect this has on order taking is not known.

The third is an almost classic example of the more traditional, broker type of installation. Local offices in the city are established along occupational lines, with further subdivisions within the offices. Orders are taken directly in the same office where the applicants are interviewed and then sent to the Job Bank. The order taking, however, is centralized within the local office. The order is not taken by occupational desk interviewers. Each of the occupational offices conducts its own employer relations programs. There is no self-selection process. Job Bank microfiche are available to interviewers only. Information is not shared with the job seeker until the interviewer makes the selection and a referral is made.

The remaining six areas all seem to slide up and down the scale. Although all maintain a centralized order taking unit, three have introduced variations and modifications to create some tie between the order and application—taking function and to inject some degree of personalization into the service. For example, one area has introduced an account executive system to service accounts of large employers and act as liaison between the company and the order taker and filler. One of the six had been advised by the Employer Relations Improvement Project (conducted by Greenleigh Associates) to decentralize its operations.

Occupational specialization also reflects uncertainty and disquiet. Four of the six areas divide application taking but not order taking occupationally. One created occupational specialization within the centralized order taking unit as well as in application taking. The sixth makes no occupational distinctions.

The employer relations interviewers are housed in the centralized order taking unit in most areas. However, three are participating in the Employer Relations Improvement Project which has produced a unique format for exchange between ES and some local employers. One of the areas has developed a widespread, highly polished, much emulated multi-media public relations campaign.

Self-Perceptions in the Employment Service

Local office administrators were asked to impart their views about their agency, their labor market, and the use of the service by the local employers. As previously mentioned, when asked about the impact of the Job Bank, there was near unanimity in expressions of regret at the loss of "personalization" in dealing with employers, though Job Bank was lauded for other reasons. There was also near unanimity in the view that the small firm was the major source of their business, though the mandatory listings program did bring orders from larger firms. The consensus of local office administrators held that they were seldom used by the large employers in the area, especially those with personnel offices. In fact, some managers considered personnel offices to be the most serious competitor to the ES labor exchange role in their area.[4/] However, in three areas, the respondents maintained that they were used by all employers in the market.

Opinions about the mandatory listing program were about evenly divided between those who considered it onerous, causing an increase in cancellation rates and failing to attract new employers--"a paper operation"-- and those who regarded it as a source of more and better jobs. In one area, the mandatory program was considered "critical to our operation."

As an interesting insight into self-perception, administrators were asked to predict which of the two intermediaries--want ad or ES--would have a larger volume of stock and flow jobs. Almost all anticipated that their listings would surpass the newspapers in both stock and flow. A few ventured the guess that ES would have more stock and the newspapers more flow. Only two individuals were convinced that the newspapers would best ES in all substudies and in all cases.

Very few of the predictions were accurate.

Profile of Newspapers

The organization of the help wanted columns and their headings are, in a sense, the map by which job seekers are guided from among the many listings toward the jobs appropriate to their own skills and needs.

Of the 19 papers, eight list all help wanted ads without division by

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[4/] This impression appears to be in contradiction with findings of the Camil study and the Nevada Employment Services Potential Project. Both studies found the reverse to be true. Larger firms with personnel offices are more apt to use ES as a recruitment source than smaller firms.

subheads. In the 11 that do make separations, the nine following headings are used:

Papers that use:	
11	Sales
11	Employment agencies
5	Domestic (household, private)
3	Clerical (office, secretarial)
3	Medical
3	Professional
3	Part-time work
2	Crafts
1	Accounting, data processing occupations, engineer, restaurant, service, teachers

As can be seen, all 11 use "sales." This not only indicates the volume of sales jobs but, according to a number of the managers interviewed, also represents the newspapers' effort to identify sales jobs, because the script submitted by the employer often obscured that fact. Although it is illegal, two newspapers still retained sex-designated headings as of the end of May 1975.

The heading "Employment Agencies" has now all but lost its meaning and may mislead the reader (as it did the coders), because all of the newspapers in the study, except a minor one, now allow private agencies to disperse their listings throughout the columns. The presence of an "Employment Agency" heading may lead to the assumption that all fee-charging agencies are relegated to that heading.

While eight of the papers declared that as a matter of policy and law, the employment agency must identify itself in the ad, at least one state in the study (Mississippi) had not passed any laws regulating private employment agencies. The newspaper columns of that area clearly reflected this. Nearly 63 percent of the total help wanted ads in that paper were placed by private employment agencies. In a number of papers, the agency identification may read "Charlies," rather than "Charlie's Employment Agency." Inexperienced job hunters may not know that calling "Charlies" involves payment of a fee.

A number of classified ad managers were concerned about ads for sales and business opportunities, what one manager called "disguised pyramid selling and undisclosed investment requirements." In their view, such ads did not belong in the "help wanted" columns. Examples were offered such as the use of "management-trainee" to disguise a vending machine operator route which involved investment and "vacuum cleaner repairs" disguising a vacuum sales job. In fact, the term "management-trainee" is regarded in the industry as the near equivalent of an effort to obscure the actual tasks of the job. Two papers placed such ads in "Business Opportunities" or "Franchises."

Classified managers of five newspapers declared that they had no rules of acceptance--it was up to the advertiser. On the other hand, five newspapers required that the advertiser define the method of compensation--whether it be salary or commission. Three papers went further by requiring that ads for "commission only" sales be required to include the name of the company and the product to be sold. Of the five, two had additional rules governing the "You can earn $20,000 a year from your own home" type of ad. The rules required that the earning opportunities be more factually described, and the paper provided examples of acceptable and unacceptable wording.

Two different papers had policies against including armed forces recruitment ads in help wanted columns. Two refused to list "work at home" ads. One required that the sex of the advertiser be defined in the "live-in" ads, and another paper set conditions under which modeling ads are accepted.

There is considerable variance among the papers in the order by which ads appear in the columns. To the job seeker, guides are helpful--either occupational or alphabetical--to narrow the search, especially in papers with 10 and 12 pages of help wanted ads. In those papers that list alphabetically, by occupational title, advertisers, particularly private agencies, strain credulity to find an "A" title for a job so the reader will see it early.

Five papers have no order of any kind. The size of the ad determines its position. Three papers alphabetize by the first word of the script, and do not insist on an occupational title. Since only the advertiser and want ad taker know the script, it is obviously not designed to help the job seeker. Two papers alphabetize by occupation, insisting that all ads begin with an occupational designation. The three papers which use a large number of occupational headings depend mainly on the headings to direct the job seeker.

The Ad Universe

The composition of the help wanted columns and the number and types of ads scanned in each area in the course of the periodic and daily job search can be seen in Tables 3-3 and 3-4. Overall, our job seeker would be exposed to a total of 204,427 ads, of which 62,316 or 30.5 percent met the acceptance criteria of this study.

Rejected Ads

In keeping with the composite profile of a job seeker, ads were rejected that were not placed by the employer, were offering jobs outside of the area, or displayed earning opportunities that did not appear to be "jobs." In the daily search for work during the flow month, the job seeker would also reject ads observed and perhaps answered the day before.

As can be seen in Table 3-4, 33 percent of the rejected ads were repeats from earlier editions. Nearly 20 percent were rejected because they emanated from private employment agencies, and almost 12 percent were ads for jobs out of the area. However, private agencies occupy one-third of the *space* on Sundays and another third is taken up with national advertisers to recruit for national and regional markets. Only one-third of the space on Sunday in metropolitan newspapers belongs to the local employer.[5]

Sunday to Weekday Comparison

The differences in volume and composition between the daily and Sunday papers were revealed by removing the data from the Sunday editions in the flow study, leaving only the dailies. In Table 3-5, it is clear that the nature of the columns changes considerably. In fact, the job seeker would need to ignore 45 percent of all the ads in the Sunday papers in order to concentrate on the local employer job market. In the daily editions, about 72 percent of the ads are local employer-placed listings. Though the daily

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[5] John Walsh, Miriam Johnson, Marged Sugarman, *Help Wanted: Case Studies of Classified Ads* (Salt Lake City: Olympus Publishing Co., 1975)

Table 3-3. Ad Volume from Flow and Stock Study Sources for Areas--Study Areas Arranged by Size

Study area	Ad volume stock study	Ad volume flow study	Total ad volume examined (from stock and flow)	
			Number	Percent
Atlanta	16,987	23,459	40,446	19.8%
San Diego	10,552	17,386	27,938	13.7
New Orleans	11,130	18,133	29,263	14.3
Dayton	4,846	11,524	16,370	8.0
Richmond	8,993	14,651	23,644	11.6
Syracuse	3,959	5,522	9,481	4.6
Wichita	4,172	9,151	13,323	6.5
Des Moines	7,824	10,694	18,518	9.0
Jackson	4,772	7,347	12,119	5.9
Santa Rosa	1,339	2,329	3,668	1.8
Portland	1,580	2,479	4,059	2.0
Boise	1,941	3,657	5,598	2.7
All areas combined	78,095	126,332	204,427	100.0

Table 3-4. Disposition of Ad Volume Over All Areas by Acceptance-Rejection Criteria

	Number	Percent
Total ad volume examined for all areas (from stock and flow)	204,427	100.0%
Ads rejected by job seeker:		
Flow repeats	67,520	33.0
Private employment agency	39,391	19.2
Out-of-area or location unknown	23,924	11.7
Non-job earning opportunities	11,276	5.6
Ads accepted by job seeker	62,316	30.5

Table 3-5. Comparisons of Sunday to Daily Want Ad Sections--Average Day, all Newspapers Combined

	Sunday [1]		Dailies [2]	
	Single Sunday Average		Single Daily Average	
Type of ad	All papers	Percent	All papers	Percent
Totals	6,509	100.0%	4,329	100.0%
Ads by employer--local jobs	3,588	55.1	3,099	71.6
Ads by private employment agency	1,631	25.1	587	13.6
Out-of-area jobs	938	14.4	399	9.2
Non-jobs	352	5.4	244	5.6

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[1] This represents the 12 Sundays in the stock study.

[2] Based on newspapers for 24 days in October 1975, all Sunday editions excluded.

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paper is more reflective of a local labor exchange and the job seeker would have a much easier time locating the local employer-placed job, the Sunday want ads would contain about 16 percent more local employer-placed jobs than a weekday paper.

While the differences in occupational composition of want ad stock and flow are generally slight, differences in the occupational mix of locally placed job titles between Sunday and weekday editions are more pronounced. The Sunday papers expose the job seeker to a higher proportion of professional, clerical, and sales jobs than do the weekday editions. On the other hand, the daily papers have a higher proportion of service occupations indicating that employers with openings for domestic and restaurant work, for example, would be less inclined to delay broadcast of the opening until the Sunday edition. This also bears out another rather surprising insight; more ads make their initial appearance in the daily edition than in the Sunday one. Nearly 60 percent of the ads appear first in a daily edition.

There is a marked contrast between areas in the degree to which private agency ads dominate the want ad columns. To some extent, this may be attributable to the differences in regulatory legislation in those states. Mississippi is one of three states in the nation which have not enacted some type of laws to regulate the activities and advertising practices of private employment agencies; over 62 percent of all the ads in Jackson, Mississippi are placed by private agencies. On the other hand, the current regulations in Kansas prohibit agencies from charging a placement fee to the applicants--only the employer may be charged; in Wichita, only 2.8 percent of the ads were agency-sponsored.

4. VOLUME OF EMPLOYMENT SERVICE AND WANT AD LISTING

This chapter compares the volume of want ad and ES jobs. The volume will be measured in three categories: (1) stock--the jobs listed in ES at the beginning of the month, after the purge of "dead" listings, and the jobs displayed in the Sunday want ads nearest the first of the month; (2) flow--the new job offerings in ES and want ads, subsequent to the stock listings in both channels, for four weeks in October 1974; and (3) October jobs--the sum of the stock and flow jobs during that month in both agencies. We will be concerned with the total number of jobs offered by both systems in their joint domain and the relative share contributed by each mechanism. We will also examine volume variations among the 12 areas studied, the effects upon ES of the Federal Contractors Job Listing program, and the differences in length of time jobs are displayed in both systems.

Overall Comparisons

The job seeker in a position to examine the total 12-month stock of job listings in both ES and the want ads in all 12 areas would have been exposed to a total of 99,869 jobs. Using both intermediaries daily throughout October in all areas, the person would have seen a total of 39,728 listings (initial stock plus new job flow). These listings barely exceeded the number of new applicants, 38,979, that were registered at ES alone during that month. In turn, this number of new ES applicants may be compared with the total of 12,792 ES listings during that same month. To exacerbate the intensity of competition for jobs that is suggested by these figures, approximately two-thirds of the ES applicants would also have been scrutinizing the want ads for jobs.[1] (There is no way of identifying the number of individuals who sought jobs through the want ads but did not use ES.)

The job seeker using the two intermediaries for one day a month over the year would have found that ES, overall, had approximately the same inventory or stock of jobs as the want ads. Assuming the 12 areas studied to be reflective of metropolitan U.S.A., ES exposes the job seeker, on the first day of the search, to about 51.1 percent of the inventory in the ES/WA market (Figure 4.1). The want ads, however, capture 67.8 percent of all the job opportunities during October and 75.9 percent of the new jobs following the initial stock. The flow of new jobs during the month represents 30.8 percent of all want ad listings (12 months' stock and the October flow), while ES flow represents only 11.9 percent of all ES listings.

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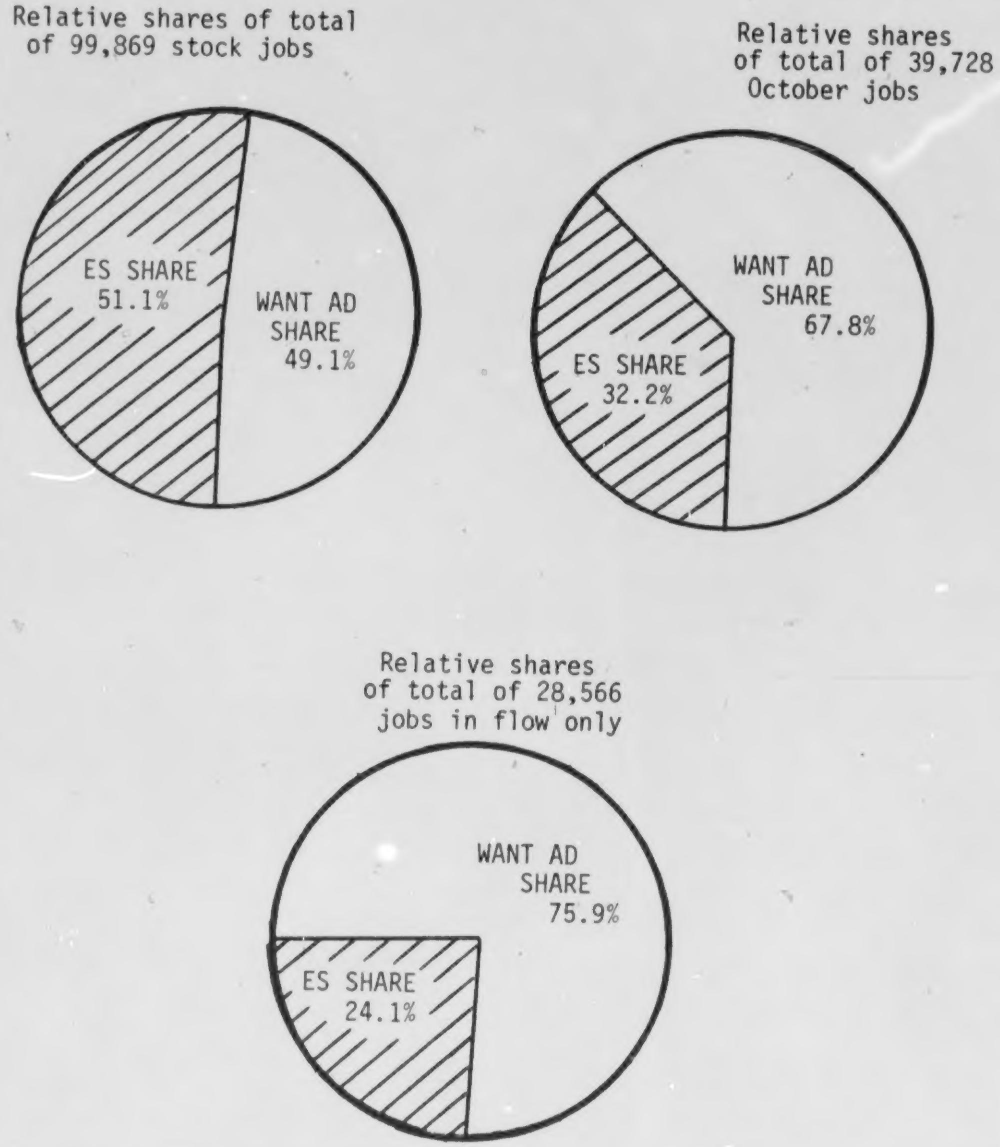
[1] John Walsh, Miriam Johnson, and Marged Sugarman, Help Wanted: Case Studies of Classified Ads (Salt Lake City: Olympus Publishing Co., 1975), p. 49.

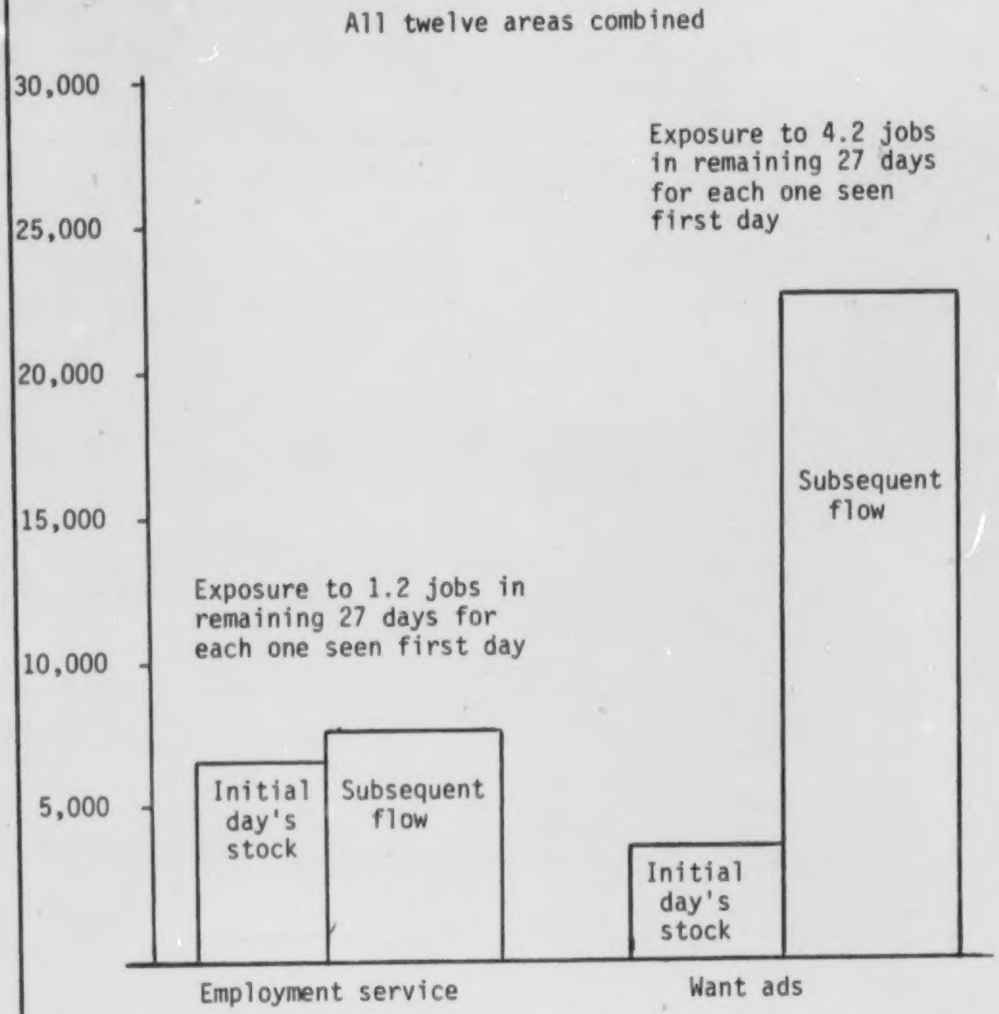
Figure 4.1. ES and Want Ads Market Share, All Areas Combined



After examining each source on the first day of the month, the job seeker would be exposed to only 1.2 additional jobs during the remaining 27 days of the flow period for each job listed at ES on the first day. However, in six of the study areas, only a fraction of a new job for each one seen on the first day would become available during the month. A job seeker in those communities might well become discouraged and conclude that repeated visits to the local ES office were unproductive since so many of the same jobs would remain on view compared to the new ones. By reading the want ads daily, the job seeker would be exposed to 4.2 new jobs in the remaining 27 days for each job seen the first day (Figure 4.2).

On any average day during the study year, a total of 4,251 job orders could be found in all of the employment service offices in the 12 study areas; on an average Sunday, there would be 4,060 listings in all the newspapers, (Stock ÷ 12). In the course of a single average working day during the test period, all ES installations combined would receive an inflow of 344 new job orders, (Pure flow ÷ 20 working days), but in an average publishing day during the October test period, all of the newspapers combined would receive 774 new listings, (Pure flow ÷ 28 publishing days).

Figure 4.2. Comparison of the Public Intermediaries' Initial Stocks to Their Subsequent Flow of Jobs in October 1974.



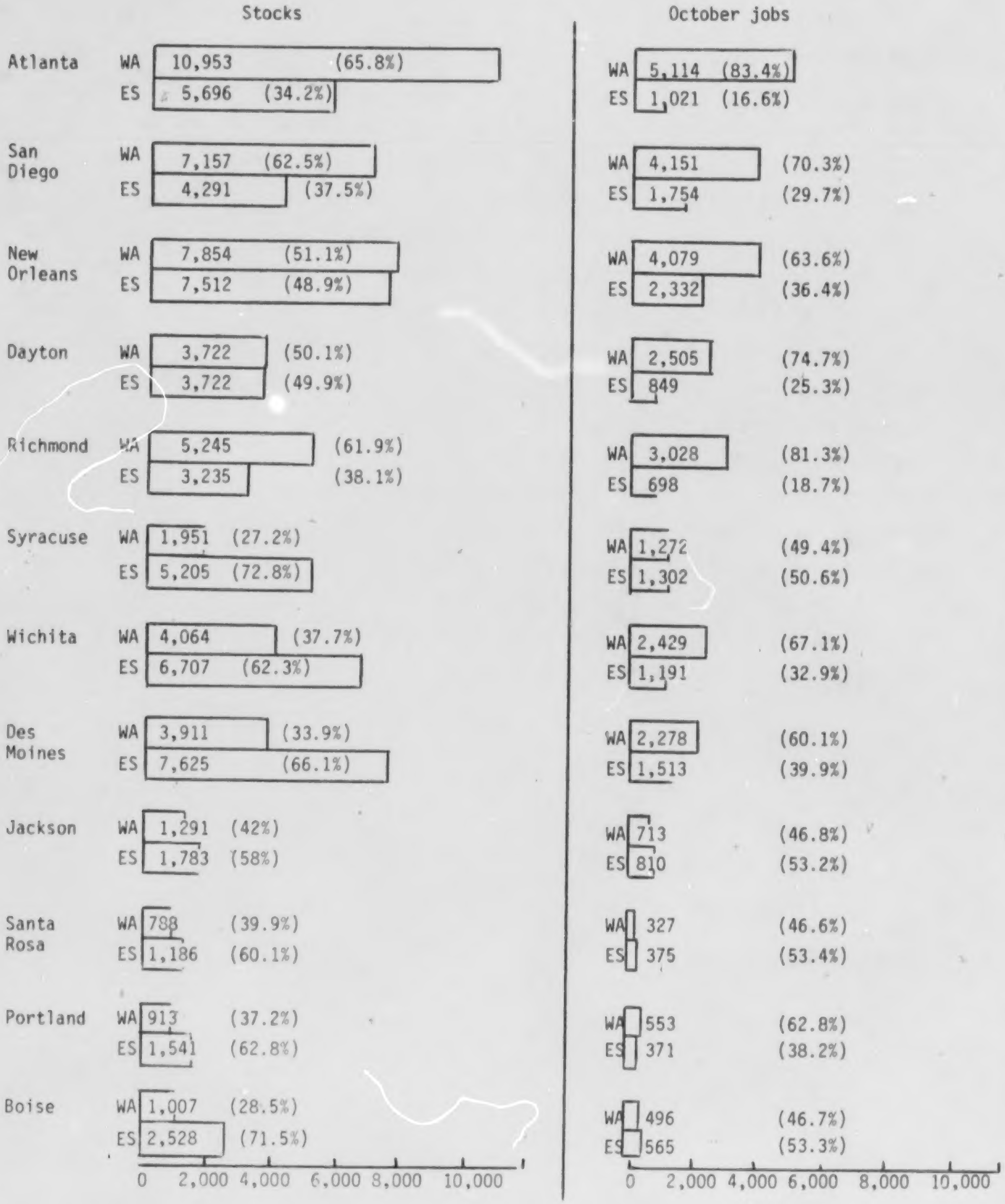
Area Differences in Employment Service Share

Generally, ES is relatively stronger in the smaller population areas, whereas the want ads are relatively stronger in the larger population areas. In the seven smallest population areas, ES stocks are larger than want ad stocks. In the five largest population areas the reverse is true (Figure 4.3). Also, in a majority of the seven smaller areas (and in none of the five largest), ES exceeded the want ads in October job listings. However, want ads exceeded ES in pure flow in all areas except Santa Rosa. Population size seems to be a significant variable in accounting for differences in the relative strength of ES compared to want ads.

Population size, however, does not necessarily determine the relative volume of job offerings in the joint ES/WA market. For example, in combined ES/WA stocks, Des Moines and Wichita exceeded three areas with larger populations and exceeded two of those three areas in the combined volume of October jobs. Boise did better in both departments (stocks and October listings) than two more populated areas. Similarly, Richmond's job total for both systems in combined stocks and October listings exceeded that of more heavily populated Dayton, and New Orleans outdid more heavily populated San Diego in the same measures (Figure 4.3).

(Whatever might be implied about ES performance in the 12 areas, is, of course, based on data gathered in 1974-75, and does not reflect such changes as might have occurred since that time.)

Figure 4.3. Stock and October Volumes in the Employment Service and Want Ads by Area (Areas arranged by population size)



Variables Affecting Area Differences

In a search for possible explanations of area differences in the ES share of the ES/WA market, almost 30 variables with related hypotheses were tested. These variables encompassed local environmental factors (economic and demographic), characteristics of the newspapers and of ES.

Stepwise multiple regression techniques were used in testing each factor's relationship to the ES share of stock and flow in the ES/WA market. The ratio of ES staff to area population was the factor found to have the strongest degree of association with the ES share of stocks: area ES units with a larger population to be served per staff person had a smaller share of the periodic stock of jobs. A correlation coefficient of 0.784 was obtained for this relationship. This suggests that staff time is focused more on servicing the flow of applicants and less on filling the orders and/or clearing them out of the system.

The factor found to have the greatest association with area ES share of the flow of new jobs was the percent of 1970 census employment in "low-pay, low-status occupations,"[2/] defined as non-farm laborers, farm laborers and foremen, cleaning and food service workers, and private household workers. The correlation coefficient obtained for this relationship was 0.834. This factor also proved to be a significant labor market variable affecting ES productivity in a significant earlier study.[3/] The larger the concentration of such jobs in the local area, the greater the ES share of the flow of new jobs into the ES/WA market. The importance of such jobs to ES can be seen in the analysis of occupations in the ensuing chapter.

When the percentage of 1970 employment in low-pay, low-status occupations was combined with two other factors--the ratio of locally placed ads to local employing units and the size of the area population served by each ES staff member--to analyze the strength of their combined association with ES share of flow, a multiple correlation coefficient of 0.941 was obtained.

[2/] Summary Manpower Indicators (Berkeley: U.S. Department of Labor, Employment and Training Administration, Lawrence Laboratory, November 1972).
[3/] Labor Market Variables Affecting Employment Service Productivity (Berkeley: Center for Applied Manpower Research, October 1974).

This indicates that ES would have a higher share of newly announced ES/WA jobs in an area whenever there is:

1. A relatively high proportion of "low-pay, low-status" jobs;
2. A low ratio of locally placed help wanted ads to local employment units;
3. A relatively small population to be served by each staff member.

All but 11.5 percent of the variability among ES units in the share of ES/WA job flow can be explained by differences in these three factors. Only the last factor, population served per staff member, is in any way within the employment service's span of control. Even then, control over the purse strings lies ultimately in the hands of Congress.

The finding with respect to the size of ES staff in relation to the work load coincides with a similar finding by the Nevada Employment Service Potential Project (ESP). In that study, a highly significant factor affecting the penetration rates of different local offices was the density of ES staff per 1,000 potential new hires. Without a doubt, the single most significant yardstick for measuring and comparing performance between areas in the ES system would be the count of new hires for which ES has a potential. It is unfortunate that ESP data in all 12 areas is not available for this study.

Effect of Mandatory Listings

Jobs compulsorily listed with ES by government contractors in compliance with federal regulations expand both the stock and flow of jobs in ES. Out of a total of 45,804 job orders in ES periodic stocks to which the job seeker would have been exposed across 11 areas, 9,802 or 21 percent could be attributed to the mandatory listings program.[4/] However, mandatory listings constitute only 11.5 percent of the inflow of new jobs (721 out of 6,080).

Patently, the impact of mandatory listings is likely to be greater in areas where government contractors are relatively more numerous. Thus, in Dayton mandatory listings account for 34.1 percent of flow, and in Santa

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[4/] All data for Syracuse excluded because mandatory listings data could not be tabulated for ES in that area without extraordinary expense. All ES stock data missing for Local Office 2005 in Dayton due to administrative error.

Rosa for only 0.3 percent.

Duration of Job Listings in the Employment Service

The classified advertising managers interviewed for this study estimate the average duration of a help wanted ad at between three and five days, and 61 percent of the ads studied were, in fact, listed for between two and five days.

In ES, where there is no requirement for cash payment to constrain the duration of job listings, two other factors determine how long a job is listed: (1) the time it takes to fill a job; and (2) office housekeeping. The last refers to the dispatch and thoroughness with which the status of the order is verified and the order removed from the system if no longer open. This requires frequent contact with the employer which, depending upon staffing, is not always feasible.

ES statistics on duration of listings are limited to frequency of jobs open more than 30 days and over 180 days, in comparison to total openings. ES staff were able to make only rough guesses as to the average duration of a job order. Ideally, an assessment of average job duration in ES would require the inclusion of ESARS statistics as well as study data. The unavailability and incompatibility of some of the ESARS data tested resulted in our retreat to a formula based upon study data alone.

The average daily duration of an ES listing can be expressed as the average daily stock of listings divided by new job inflow per day during the flow period. Expressed as a formula, it looks like this:

$$\text{Average order duration} = \frac{\text{Average day's stock}}{\text{New job inflow per day}}$$

where

$$\text{An average day's stock} = \frac{\text{12 combined month-end stocks}}{12}$$

and

$$\text{New job inflow per day} = \frac{\text{Pure flow}}{\text{Number of workdays in pure flow period}}$$

Using the formula, we derive the following table of average duration of display for the area employment service units studied.

As Table 4-1 indicates, the Wichita ES kept its orders open far longer than the other units studied. On the other hand, the San Diego and Jackson ES offices dispose of their job orders almost as quickly as the newspapers close out their ads. If ES administrative practices artificially extending job order life are accepted as a part of the average order duration, then the average duration of an ES mainstream order across all areas studied is 16.2 working days. This means that ES holds the average job order over three weeks before it is filled or canceled. Partly as a result of administrative practice, ES job orders are displayed over three times as long as the average want ad.

It is evident that local ES installations holding job orders open a relatively long time are also the same areas that close very few of their job orders during the 28 day test period. Wichita, with an estimated average order life of well over a month, closed less than 8 percent of the job orders it received during October 1974. The Richmond ES closed an even smaller proportion of its job orders--less than 6 percent.

On the other hand, ES units with a relatively short average order life closed most of their new job orders by the end of the period, as can be seen in Table 4-1. Santa Rosa filled (or canceled) 83 percent of the job orders it received during the four-week period; New Orleans closed 75 percent of its new jobs. San Diego, Portland, and Jackson ES units were nearly as active, closing between 66 and 69 percent of their new orders.

The relative efficiency of these five units can be attributed to the high percentage of job orders closed by them within one day of their receipt. These jobs, commonly referred to as "in and out" orders, are generally associated with occupations which require quick response, and are either filled or canceled within a day. However, they also represent a frequently encountered practice whereby interviewers withhold the job order from Job Bank until a suitable referral has been made, thereby reporting the opening and closing at the same time. The New Orleans ES closed 53 percent of its flow of new orders within one day; Santa Rosa, 42 percent; Portland, 41 percent; Jackson, 37 percent; and San Diego, 10 percent in that period. None of the others filled as many as 6 percent of its new jobs in one day, and two area units closed not a single job order in one day. This wide variation between areas in the length of time jobs stay open and in the percentage of "in and outs" reflects the operational

Table 4-1. Average Duration of Job Orders both Received and Closed Within the Flow Period

		Duration of job orders received and closed in October	
	Estimated average total duration (workdays)	Percent of total received and closed by end of month	Average duration of those received and closed in October (workdays)
Wichita	41.1	7.7%	8.5
Richmond	24.5	5.7	9.0
Des Moines	23.4	24.2	12.1
Atlanta	23.3	25.2	11.2
Dayton	16.5	[1]30.1	[1]9.9
Syracuse	15.1	46.7	10.7
Boise	14.3	53.9	9.5
Portland	13.2	68.1	6.0
New Orleans	8.2	75.2	3.4
Santa Rosa	7.5	83.0	2.7
Jackson	5.5	66.0	6.3
San Diego	5.0	68.4	5.8
Overall average	16.5		

[1] Data for Local Office 2005 missing.

differences that are prevalent from area to area.

It is the long duration of ES job orders that gives ES a slightly higher proportion of the stock of ES/WA jobs, while the want ads excel in job flow.

Summary

Briefly, then, the two mechanisms together form a large, discrete public market which is highly competitive. The want ad share of that market, as expressed by the relative frequency with which employers select it, is three times larger than ES share. On initial contact, however, the job seeker would be exposed to approximately the same number of listings in each. Jobs remain open in ES approximately three time longer than in the WA system, on the average, though areas differ widely in the length of time jobs last. Area differences in ES share of the market are strongly associated with population size, with ES commanding a larger share of new jobs in smaller markets generally. Areas with a higher proportion of 1970 employment in low-pay occupations, a relatively small population to be served in proportion to ES staff and a lower ratio of want ads to employing units would provide ES with a bigger share of new jobs.

The impact of mandatorily listed orders on ES share is strong in stock, weaker in the flow of new jobs.

5. THE OCCUPATIONAL COMPOSITION OF ES/WA JOBS

This chapter analyzes the occupational composition of jobs listed with ES and the want ads. Similarities and differences between the two intermediaries in occupational terms are examined, as is the difference in these terms between ES stock and flow. The impact of mandatory listings upon ES occupational offerings is assessed.

Employment Service Versus Want Ads

In a first glance at a tabulation of occupational composition (first-digit DOT) of the job listings in the employment service and the want ads, one is struck by the similarities (Table 5-1). "Service" tops all other occupational fields in our three categories (stocks, flow, and October jobs), in both systems. "Clerical" holds the second spot across the board, except in ES periodic stock column, where it is nosed out by "professional-technical-managerial." Only in the third and fourth places do differences become pronounced. At these levels, "sales" are strong in want ads, whereas "structural" and "miscellaneous" are strong in ES.

Largely, but not entirely, due to the volume of "sales" listings, want ads hold a significant edge over ES in a generic "white-collar" classification (the sum of "clerical," "sales," and "professional-technical-managerial"). Conversely, ES gets a significantly higher proportion of "blue-collar" jobs than the want ads do.

If one peeks under the single-digit designation to the more specific two-digit descriptions, more differences emerge. For example, "service" blankets a good many janitorial jobs in ES and a much lower percent in the want ads. In the want ads, "professional-technical-managerial" most often covers medical and health occupations, whereas in ES the same label most often covers architectural and engineering jobs.

A finer occupational breakdown (to three-digit DOT) tells more about the opportunities that are predominant in the two systems. At the three-digit level, an occupation that accounts for at least 2 percent of the stock can be said to provide a high volume of opportunity. As can be seen in Table 5-2, ES contains ten high-volume occupations (representing 27% of stock) and the want ads contain nine (representing almost 30% of

Table 5-1. First-Digit DOT Occupational Composition of Each Mechanism (Ranked by percentage share of total)

	Employment Service			Want Ads		
Rank	Stocks 51,013	Pure flow 6,384	October jobs 12,781	Stocks 48,856	Pure flow 21,682	October jobs 26,947
1	Service (21.1)	Service (30.0)	Service (27.0)	Service (23.1)	Service (25.3)	Service (25.1)
2	Prof-Tech-Mgr (17.0)	Clerical (20.8)	Clerical (17.5)	Clerical (19.1)	Clerical (17.7)	Clerical (17.7)
3	Clerical (16.3)	Miscellaneous (12.3)	Structural (11.3)	Prof-Tech-Mgr (18.3)	Sales (15.2)	Sales (15.2)
4	Structural (11.1)	Structural (9.6)	Miscellaneous (11.3)	Sales (15.8)	Prof-Tech-Mgr (15.0)	Prof-Tech-Mgr (15.2)
5	Machine Trade (10.5)	Prof-Tech-Mgr (7.8)	Prof-Tech-Mgr (10.2)	Structural (6.4)	Structural (7.2)	Structural (7.2)
6	Sales (9.7)	Sales (6.6)	Machine Trade (8.1)	Machine Trade (5.9)	Miscellaneous (6.8)	Miscellaneous (6.8)
7	Miscellaneous (7.4)	Machine Trade (5.5)	Sales (7.5)	Miscellaneous (5.6)	Machine Trade (5.7)	Machine Trade (5.9)
8	Benchwork (4.0)	Benchwork (3.4)	Benchwork (3.4)	Occ. Unknown (2.6)	Occ. Unknown (3.3)	Occ. Unknown (3.2)
9	Farm, Forest Fish (1.3)	Farm, Forest Fish (2.1)	Farm, Forest Fish (1.9)	Benchwork (1.8)	Benchwork (1.9)	Benchwork (2.0)
10	Processing (1.2)	Processing (1.4)	Processing (1.4)	Farm, Forest Fish (0.5)	Farm, Forest Fish (0.7)	Farm, Forest Fish (0.7)
11	Occ. Unknown (0.4)	Occ. Unknown (0.5)	Occ. Unknown (0.5)	Processing (0.4)	Processing (0.5)	Processing (0.5)

of their stock).

Waitresses and waiters find the largest stock of job listings in both systems. Domestic workers, secretaries, cooks, auto mechanics, and insurance salesmen all would find more than 2 percent of both intermediaries' job stocks appropriate to their needs. The want ads manage to display more than 2 percent of their jobs in such a way as to effectively conceal their nature. Another 2 percent specify sales but not what is to be sold. Thus, 4 percent of the ad titles do not permit readers to match themselves to the job through personal identification with the work to be done, and tend to attract the inexperienced persons who find few opportunities in the ads with which they can clearly identify.[1]

Certain kinds of jobs appear in the high-volume listings of one medium, but not the other. Jobs for registered nurses, for example, are concentrated in the Sunday want ad sections. Accounting clerks, janitors and porters, clerk-typists, and truck drivers do relatively better in ES.

The following high-volume jobs in the ES/WA stocks are among occupations with the largest labor force, according to the U.S. Census: secretaries, miscellaneous, clerical workers, private household workers, typists, waiters and waitresses, registered nurses, truck drivers, janitors, and nurses' aides. However, the census high-volume occupations also include: teachers, retail sales, managers, miscellaneous operatives, cashiers, and engineers, which are not among ES and want ad high-volume occupations. The high-volume occupations they do have in common with the census tend to be higher turnover occupations with less attached workers. In addition, the public domain listings overrepresent sales jobs of uncertain income.

Comparison of Stock to Flow

Because of the relatively short duration of jobs in the want ads, the occupational profile changes very little between stock and flow. However, in ES the occupational mix of jobs undergoes considerable change when the focus is shifted from stock to flow, providing a better picture of what it is that ES staff must deal with everyday. For example, service occupations,

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[1] Only 10 percent of the ads specifically state that no experience is required; see John Walsh, Miriam Johnson and Marged Sugarman, Help Wanted: Case Studies of Classified Ads (Salt Lake City: Olympus Publishing Co., 1975), p. 48.

Table 5-2. Three-Digit Occupation Codes Capturing More Than 2 Percent of the Stock and Pure Flow

(All periods and areas combined)

Employment Service (Stock)

Code	Title	Frequency
311	Waiter, waitress[1]	1,978
313	Cook[1]	1,659
620	Auto mechanic[1]	1,501
30X	Domestic worker[1]	1,414
201	Secretary[1]	1,357
219	Accounting clerk	1,340
381	Janitor and porter	1,271
250	Insurance sales[1]	1,220
209	Clerk typist	1,205
90X	Truck driver	1,026
	TOTAL[2]	13,971

Want Ads (Stock)

Code	Title	Frequency
311	Waiter, waitress[1]	2,428
30X	Domestic worker[1]	2,224
201	Secretary[1]	2,151
288	Salesman, product unknown	1,507
000	Occupation unknown	1,380
313	Cook[1]	1,264
250	Insurance and real estate sales[1]	1,223
620	Auto mechanic[1]	1,036
075	Nurse (RN)	1,034
	TOTAL[3]	14,247

Employment Service (Pure flow)

Code	Title	Frequency
30X	Domestic worker	528
209	Clerk typist	293
311	Waiter, waitress	261
381	Janitor and porter	252
219	Accounting clerk	239
90X	Truck driver	236
318	Kitchen helper	228
92X	Packager	176
915	Service station attendant	159
922	Warehouseman	157
86X	Construction laborer	155
47X	Agricultural worker	146
32X	Hotel-motel maid	138
	TOTAL[4]	3,188

Want Ads (Pure flow)

Code	Title	Frequency
30X	Domestic worker	1,223
311	Waiter, waitress	1,072
201	Secretary	766
000	Occupation unknown	715
288	Salesman, product unknown	657
313	Cook	544
20X	File clerk	512
250	Insurance sales	435
	TOTAL[5]	5,924

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[1] Occupations with a high volume of listings in both intermediaries.

[2] Total = 27.4 percent of stock.

[3] Total = 29.2 percent of stock.

[4] Total = 46.3 percent of pure flow.

[5] Total = 27.3 percent of pure flow.

which are 21.1 percent of the stock, shot up to 30 percent of the flow activity, while professional, technical, and managerial occupations--17 percent of the stock--predictably plummet to 7.8 percent of the flow. Machine trades, often involving hard-to-fill, high-skill occupations, move from 10.7 percent of the stock to only 5.5 percent of the flow. Miscellaneous occupations, which include a number of low-skill, blue-collar jobs, are only 7.4 percent of the stock but 12.3 percent of the flow. Clerical occupations move from 16.3 percent of stock to 20.8 percent of flow. And a higher proportion of sales occupation is represented in stock than in flow.

Another important contrast between stock and flow *vis a vis* the two mechanisms is that with a few minor exceptions, there were no occupations in which the volume of new jobs was greater in ES than in want ads. In nearly all of the study sites, the daily job seeker of almost any occupation would see more new jobs reading the want ads everyday than visiting the ES office daily.

The daily user would experience a considerable change of view about an intermediary, and between the two, in number and kinds of high-volume occupations. The high-volume areas of opportunity at ES increase from 10 visible on the first day to 14 in the subsequent period, while those of the want ads shrink from nine to eight (Table 5-2).

Approximately 46 percent of the new job listings received by ES are for these 14 high-volume occupations. Occupations high in ES new job volume, but not in inventory, must have job outflow so close to new job inflow that no significant accumulation of inventory can occur. Employer perceptions about a ready pool of suitable workers from ES for their jobs are clearly reinforced in these occupations: kitchen helper, packager, service station attendant, warehouseman, construction laborer, agricultural worker, and hotel-motel maid.

At ES there is a pronounced difference in those high-volume occupations seen by the daily job seeker on the first day of search and the new ones appearing with relatively high frequency in the subsequent period. Only seven occupations are high-volume in both the initial stock and subsequent flow: waiter/waitress, cook, domestic worker, accounting clerk, janitor, clerk typist, and truck driver. That these jobs are high in both stock and flow indicates that applicant demand for them is probably great enough to reinforce employer perceptions of the ready applicant pool, but that applicant acceptance of them is selective, allowing a stock of less desirable listings to accumulate.

The three occupations with high-volume in initial stock but not in the subsequent inflow (auto mechanic, secretary, and insurance sales) may accumulate in ES because they take a relatively long time to match. Insurance sales jobs are usually of uncertain income and are often kept open for long periods by the employer.

Stock and flow want ads are affected by the fact that the former, by our definition, all appeared in a Sunday paper, whereas the latter also appear in weekday editions. Thus, all the factors that influence an employer's preference for Sunday or weekday help wanted advertising enter into the differences between want ad flow and stock. Scanning Table 5-2 one can see that five occupations are high-volume in both the stock and flow of want ads. Two high-volume occupations--auto mechanic and registered nurse--appear only in the stock. One may hypothesize that such slots are relatively more difficult to fill, and/or that the employer wants a maximum pool from which to make his selection, and therefore the ads for these jobs are aimed at the larger Sunday audience. On the other hand, "file clerk" crops up as a high-volume listing in the want ad flow, but not in the stock. One may hypothesize that such a position is easily filled and does not require so much skill as to make an employer "choosey;" therefore, the employer is not inclined to spend the little extra time and money for the Sunday display of such an opening.

Comparison by Areas

As could have been expected, distinctive economic features produced distinctive variations in the occupational listings of ES and the want ads in the 12 study areas. In agricultural areas, there were more farm jobs; in industrial areas, there were more manufacturing jobs. What is more striking, however, is the similarity of high-volume occupations in all areas, regardless of the economic and industrial differences.

The "waiter/waitress" title was the high-volume listing in ES and want ad flow of 11 areas, in the want ad stock of all 12 areas, and in ES stock of 10 areas. "Cook" made it in the want ad stock and flow and ES stock of 11 areas, and in ES flow of nine areas.

Next most common high-volume designations were "domestic" and "secretary." In 11 areas "secretary" was a high-volume item in both stock and flow of want ads, and in nine areas it was such in ES stock . "Domestic" placed as high-volume in the want ad flow of all 12 areas, in the want ad stock of 11 areas, and ES flow of eight areas.

The Employment Service as a Secondary Labor Market Exchange

ES has often been referred to as the labor exchange for a secondary labor market. The problem of ascertaining whether this is so and whether want ads share this distinction is confounded by the problem of defining which jobs warrant the secondary labor market label. Criteria established by advocates of the secondary labor market concept involve a plethora of qualitative aspects, as well as relative earnings, which were not a part of our study data.

The one qualitative aspect to data gathered for this study which can be linked to the secondary labor market is occupational designation. Occupation is clearly by itself not enough to determine if a job is or is not in the secondary labor market. Nevertheless, certain occupations do contain a much larger proportion of secondary labor market jobs than others. Using such reasoning, the U.S. Department of Labor, in preparing Summary Manpower Indicators for interpretation of the 1970 census data, developed a grouping called "low-pay, low-status occupations," compiled on the basis of occupation code alone. These low-pay, low-status occupations include private household workers, persons engaged in food service or cleaning, farmers and agricultural laborers; and non-farm laborers. Summary Manpower Indicators defined the proportion of employment in low-pay, low-status occupations in each SMSA studied. Although providing only a poor approximation of the size of the secondary labor market in each area, this occupation-based concept is the one definition to which our data could be related.

In our search for factors related to employer choice in the ES/WA markets, we found the ES share of new job flow most closely and positively related to the proportion of low-pay, low-status jobs in the area's labor market.

In fact, both ES stock and flow do contain a higher proportion of jobs in low-pay, low-status occupations than their want ad counterparts (Table 5-3). This finding can be attributed in part to ES advantage over want ads in drawing blue-collar and agricultural job listings. One-quarter of the new jobs received by the want ads fall into the low-pay, low-status category. However, in ES almost 40 percent of the new job flow fall into this category. This is a far greater proportion than would be indicated by these occupations' share of total employment which ranges by area from 11 to 15 percent. In comparing the proportion of listings in each channel that falls into the low-pay, low-status category, it is well to remember that the volume of new listings daily in the want ads is almost three times as great as it is in ES. Thus, the absolute number of low-pay, low-status jobs listed in the want ads is greater even though such jobs account for a larger share of total ES listings.

In the employment service, the percent of low-pay, low-status jobs is markedly higher in flow than in stock. This fact may provide a glimpse into the extent to which employment service staff is occupied daily with handling such jobs. Even in want ads, there is a higher percentage of domestic, restaurant, and cleaning jobs in flow than in stock. This may be an indication that employers prefer quick response to the wait for the wider Sunday broadcast.

Thus the relatively high percentage of such jobs listed in the ES/WA market is the result of either relatively high turnover in such occupations, channeling openings in these occupations to this market in the absence of other intermediaries or a combination of both. Compared to the larger sphere of vacancies in low-pay, low-status occupations, this proportion might indeed prove to be evidence that the jobs which filter down into the ES/WA marketplace are different in kind as well as in number.

Short-Duration Jobs in Employment Service Flow

A job-matching intermediary should draw a larger proportion of particular kinds of jobs because it finds suitable workers to match those openings more quickly than its competitors. The newspaper cannot insert and ad quickly enough to compete with ES that can fill an order on the day of its receipt. As can be seen in Table 5-4, low-pay, low-status jobs

Table 5-3. Percentage of Jobs in Low-Pay, Low-Status Occupations in Employment Service and Want Ads Over All Areas

DOT[1/] codes	Low-pay low-status, occupations	Employment Service Stock	Employment Service Flow	Want Ads Stock	Want Ads Flow
30X	Domestic workers	2.7%	7.6%	4.5%	5.6%
31	Restaurant occupations	9.9	12.3	10.3	10.5
38	Janitors	2.8	4.2	1.3	2.0
47X	Farm workers	1.3	2.1	0.5	0.7
599	Process laborers	1.2	1.4	0.4	0.5
699	Machine loaders	0.8	0.5	0.3	0.4
799	Miscellaneous assemblers	0.6	0.7	0.2	0.3
84X	Concrete workers	0.8	0.9	0.5	0.6
86X	Construction laborers	1.5	2.2	0.6	1.0
89X	Structural laborers	0.1	--	--	--
915	Service station attendants	1.5	2.3	1.0	1.3
919	Teamsters	0.4	0.8	0.7	1.0
92X	Packagers	1.1	2.5	0.2	0.2
999	Miscellaneous laborers	0.2	0.1	0.7	0.9
	TOTAL	24.9	37.5	21.2	25.0

[1/] The census-DOT conversion tables were used to arrive at occupations.

Table 5-4. Percentage of Employment Service "In and Out" Jobs Accounted for by Low-Pay, Low-Status Jobs1/

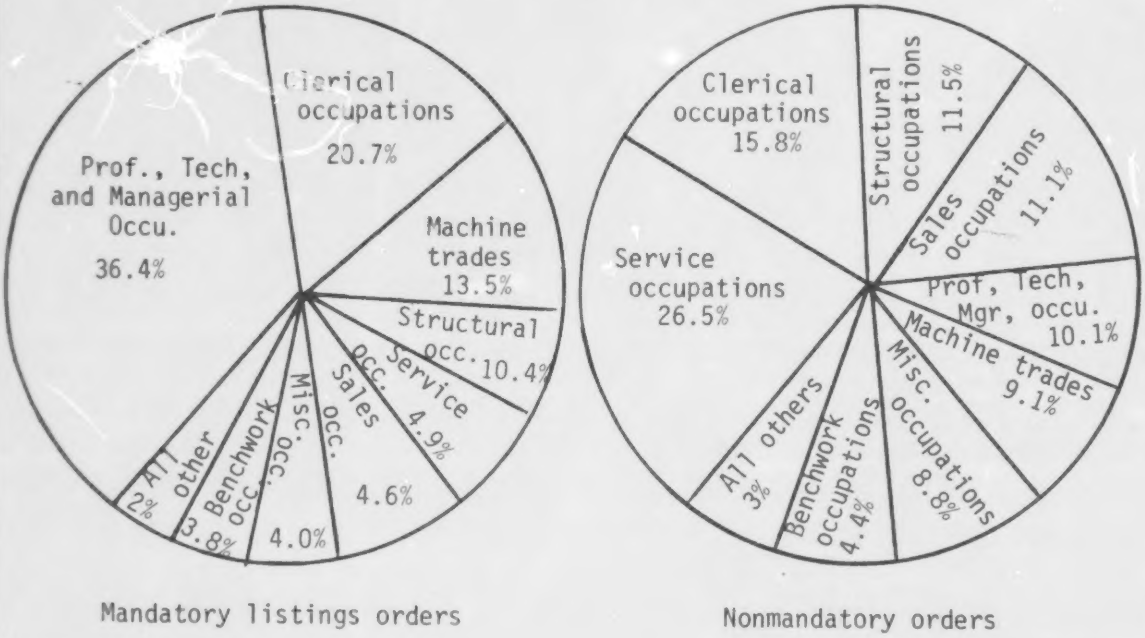
Code	Low-pay, low-status jobs	Frequency	Percentage of jobs closed in a day
30X	Domestic workers	227	15.5%
31	Restaurant occupations	234	16.0
38	Janitors	62	4.3
47X	Farm workers	36	2.5
599	Process laborers	30	2.1
699	Machine loaders	2	0.1
799	Miscellaneous assemblers	5	0.1
84X	Concrete workers	13	0.9
86X	Construction laborers	36	2.5
89X	Structure laborers	0	0.0
915	Service station attendant	15	1.0
919	Teamsters	7	0.5
92X	Packager	44	3.0
999	Miscellaneous laborers	2	0.1
	TOTAL	713	48.8

1/ 1464 = universe of jobs opened and closed in one day or 22.1 percent of flow. (Dayton Local Office 2005 data not included.)

accounted for 48.8 percent of the jobs measurable by this study as received and closed by ES in one day during the study period.

For ES in all areas, 63.2 percent of low-pay, low-status jobs were closed within two days in relation to only 57.5 percent of job orders generally. If the jobs were filled, ES was able to provide a suitable worker more quickly for low-pay, low-status jobs than for other kinds. This would be the source of its advantage over the want ads in drawing such jobs.

Figure 5.1. Occupational Composition of Mandatory Stock and Nonmandatory Stock



Mandatory listings orders

Nonmandatory orders

Occupational Impact of Mandatory Job Orders

The effect of mandatory listings upon the occupational composition of ES orders is clearly evident in Figure 5.1. The findings of this study appear to run contrary to those of the Baum-Ullman study that "there was no evidence of broadening of PES (Public Employment Service) activity into more occupational groups within M L establishments."[2]

When mandatory listings are viewed from the perspective of the percentage contribution they make to the volume of job order inventory ES holds by occupational group, their impact becomes clear. Mandatory listings account for one-half of the professional, technical, and managerial job orders held by ES and more than one-quarter of its inventory of clerical, processing, and machine trade jobs (Table 5-5). They provide relatively few sales service, agricultural or miscellaneous jobs. Clearly, the occupational

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[2] John F. Baum, and Joseph C. Ullman, "The Impact of Executive Order 11598 upon the Labor Market Performance of the Employment Service" (Lafayette, Ind.: Purdue University, Mimeo, January 1976).

Table 5-5. Percentage Contribution of Mandatory Listings Program to Employment Service Stock, by Occupational Field

Field	Percent Contribution
Professional, Technical, Managerial	50%
Clerical	26
Sales	10
Service	5
Agricultural	4
Processing	26
Machine trades	29
Benchwork	19
Structural	20
Miscellaneous	11

profile of ES might be quite different without the influence of this program.

The occupational profile of mandatorily listed job orders shows a substantial degree of consistency across all of the labor markets for which mandatory listing identification was possible. Professional, technical, and managerial job orders constituted the single largest block of mandatory listings in six study areas; clerical job orders the biggest block in four other areas; and machine trades in the remaining area. Service occupations amounted to 10 percent or less in all areas; sales and miscellaneous occupations to eight percent or less; and agricultural jobs to less than one percent.

A Note on Industry Sources

It would have been appropriate to analyze and compare the use of ES and want ads by the different industries. However, in 27 percent of the want ad listings it was not possible to ascertain with any certainty the advertiser's industrial designation. A data gap of this magnitude would fatally flaw any comparative analysis along industry lines.

With the above caution, we did compile a tabulation of industrial users who could be identified (to the second digit) and who accounted for at least two percent of the listings in ES or want ads. A glance at Table 5-6 reinforces our caution. Patently, comparisons between the want ads and ES, as well as the relative shares of the several industries in the want ad total,

Table 5-6. Industries Placing 2 Percent or More of Jobs in the ES/WA Market

Employment Service						Want Ads					
Stock			Flow only			Stock			Flow only		
58	Bars & restaurants	8.1%	58	Bars & restaurants	9.7%	00	Industry unknown	25.8%	00	Industry unknown	27.5%
50	Wholesale trade	5.9	88	Private households	8.3	58	Bars & restaurants	8.4	58	Bars & restaurants	8.7
37	Trans. equipment mfg.	4.8	50	Wholesale trade	6.1	80	Health services	8.1	80	Health services	6.4
73	Business services	4.6	70	Hotels and motels	4.5	88	Private households	4.6	88	Private households	5.5
35	Manufacturer of machinery	4.3	73	Business services	4.1	73	Business services	4.5	73	Business services	4.1
55	Auto dealers & gas stations	3.7	55	Auto dealers & gas stations	3.9	55	Auto dealers & gas stations	3.6	55	Auto dealers & gas stations	3.7
80	Health services	3.6	80	Health services	3.4	65	Real estate	3.3	70	Hotels and motels	3.2
63	Insurance companies	3.5	93	Local government1/	3.3	72	Personal services	3.0	65	Real estate	3.0
70	Hotels and motels	3.2	17	Special trade contractors	3.1	70	Hotels and motels	2.7	72	Personal services	2.9
80	Education	3.2	53	Department stores	2.7	63	Insurance companies	2.5	59	Miscellaneous retailers	2.0
88	Private households	2.8	36	Electrical equipment manufacturers	2.4						
17	Special trade contractors	2.8	35	Machinery mfgr.	2.3						
93	Local government1/	2.8	59	Miscellaneous retailers	2.3						
53	Department stores	2.4	86	Membership Organizations	2.3						
86	Membership Organizations	2.2									
72	Personal services	2.1									
89	Miscellaneous svcs.	2.0									
	TOTALS	60.0			58.4			66.5			67.0

1/ No comparable group in want ad tabulation due to difference in SIC coding used.

could be decisively affected by what is concealed in the "industry unknown" category. The industrial profile of ES, devoid of "industry unknown" mystification, seems to corroborate what could have been inferred in general from the occupational analysis.

Table 5-6 indicates conspicuously that ES has a greater number of high-volume industrial listings than the want ads do. To be sure, the "industry unknown" percentage is large enough so that mathematically it could conceal a sufficient number of high-volume industrial users of want ads to balance the ES high-volume list, but this seems unlikely. Thus, the table seems to corroborate other findings that indicates that ES serves a wider industrial sector than want ads.

The two intermediaries appear to share the following high-volume industries in both stock and flow: bars and restaurants, private households, hotels and motels, business services, auto dealers and gas stations, and health services.

Turning solely to ES listings, we find bars and restaurants at the top of both the stock and flow columns. Private households represent a larger share of ES flow (8.3%) than of ES stock (2.8%). There are 17 entries in the stock column as against 14 in the flow. Only two entries (electrical equipment manufacturers and miscellaneous retailers) appear in flow, but not in stock, whereas the opposite is true for five industrial listings: transportation equipment manufacturers, insurance companies, education, personal services, and miscellaneous services.

Summary

In occupations listed, ES and the want ads are, indeed, more similar than they are different. In both channels service occupations (notably waiter/waitress and domestic worker) lead all the rest.

Yet, the differences that do exist are significant and place ES somewhat lower than the want ads on the socioeconomic scale. Job listings in both channels contain a higher proportion of "low-pay, low-status occupations" (as defined by the U.S. Department of Labor), than obtains in the economy at large. However, the disproportion is greater in ES than in the want ads: 37.5 percent of ES flow consists of "low-pay, low-status" occupations as against 25 percent of the want ad flow. Although ES lists a higher proportion of such jobs, the absolute number of them offered by want ads is greater because the total volume of listings is so much greater. The findings suggest that a sizable share of ES/WA activity occurs in what has been called the secondary labor market, and that relatively more of ES energy is expended in this sphere.

Overall and in large part due to the volume of "sales" listings, want ads lead ES in the proportion of white-collar jobs, where the converse is true for blue-collar jobs.

An examination of mandatory listings indicated that their impact upon occupational composition of ES offerings was greater than suggested by prior research. For example, mandatory listings contributed 50 percent of the professional, technical, and managerial jobs and 26 percent of the clerical jobs in ES stock.

Though inconclusive because of missing data, the existing data indicates that both ES and want ads draw heavily from the same industrial sectors: private households, bars and restaurants, health services, business services, auto dealers and gas stations, personal services, and insurance companies.

6. EMPLOYERS USING BOTH INTERMEDIARIES

The objective of this chapter is to analyze the behavior of employers who use both mechanisms. The study scrutinizes employer recruiting patterns from the vantage point of observed behavior, thus overcoming the possibilities of distortions, misunderstandings, and memory lapses inherent in survey procedures. It must be noted, however, that the time frame, 28 days, is comparatively short and as a result, the use of both intermediaries by an employer during the entire period of recruitment is sharply understated. Actions of an employer immediately before and after the study period are cut from view.

Reordering the Data

The process of matching the ES and want ad files by employer telephone number and occupational listings reordered the flow data in the following ways:

1. All transactions by a single employer in either ES or want ad files were assembled under the employer's telephone number, whenever a telephone number was accessible. This conversion produced a file of employers who used the employment service, want ads, or both during October 1974 to list new jobs.
2. Three files of employers, together with their listings, were developed:
    a. Employers who listed at least once both at ES and in want ads; these multiple listing employers will be referred to as "common" or "multi-media" employers.
    b. Employers who used want ads exclusively.
    c. Employers who used ES exclusively.
3. Jobs listed by employers in both mechanisms which matched in occupational code were distinguished from jobs in the same occupation which were listed by employers in only one of the intermediaries.

The findings from this substudy have a different data base from the flow study in the following ways:

1. Because of the unavailability of the required data from three areas, only nine of the 12 areas are included in the match

study. Of the nine, one (Dayton) was flawed by the absence of data from Local Office 2005. Excluding Dayton, the eight areas do, however, include two from each of the four population size groups.

2. Excluded from the findings are listings from ads for which the employer's telephone number could not be established.
3. Occupational extractions and aggregations were limited to the two-digit DOT level.

Comparison of Match Study to Flow File

Employers using want ads listed their telephone numbers in only 62 percent of the ads. Hand comparison of the employer name file provided telephone numbers to an additional 6 percent of the ads. The match study, therefore, understates the want ad activity in the flow study by 31.9 percent. The ES flow file provided telephone numbers for virtually 100 percent of the listings in eight of the areas.

Comparison of Employer Use of Employment Service and Want Ads

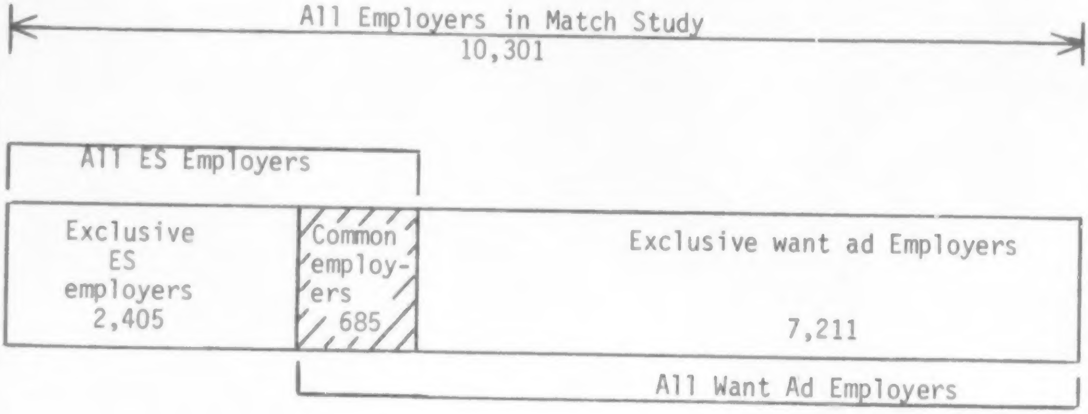
The match study identified 10,301 separate employers who listed 19,102 jobs in either or both of the intermediaries. Figure 6.1 separates them into exclusive ES and want ad users, those who use both intermediaries, and all ES and all want ad users. Though 32 percent of the ads eluded the match study, three times as many employers used want ads exclusively (7,211) as used ES exclusively (2,405). Exclusive want ad users produced four times as many listings (12,343) as exclusive ES employers produced job orders (3,141).

Per capita, want ad employers, exclusive and common, produced more listings in the ads (1:1.9) than all ES employers produced orders (1:1.4). Approximately 70 percent of all employers identified in the match study used want ads exclusively while only one-third as many--23 percent--used ES exclusively. A miniscule fraction (7%) listed jobs in both ES and want ads. Nevertheless, that 7 percent produced 19 percent of all listings in both mechanisms.

The common employer file consisted of 685 employers who had, at some

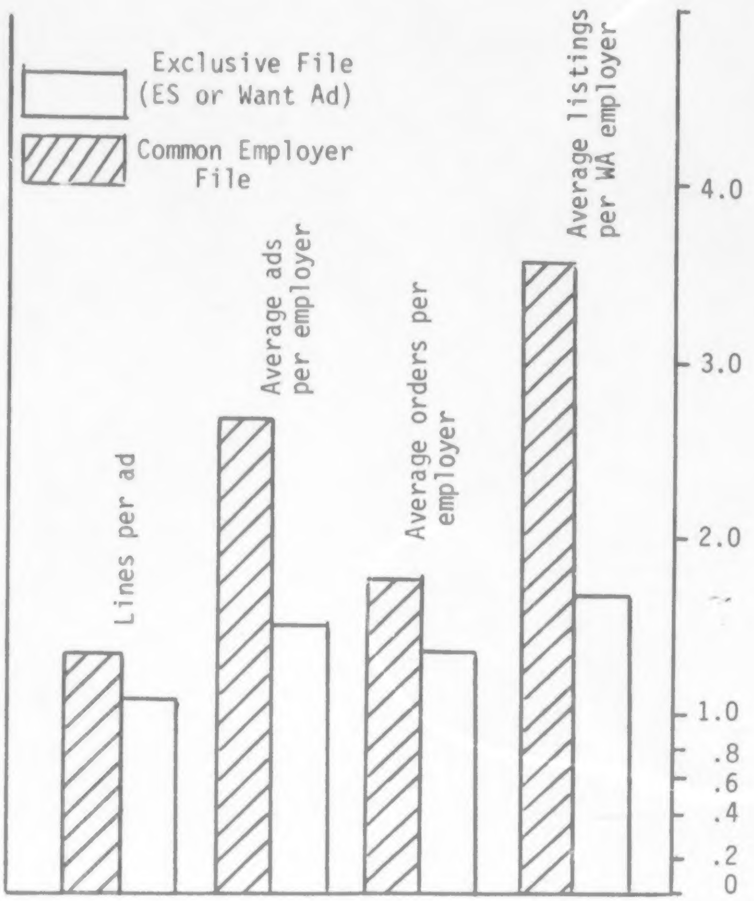
Figure 6.1. Match Study Employers

	Employers	Percent	Listings	Percent
All match study employers	10,301	100.0%	19,102	100.0%
Want ad exclusive	7,211	70.0	12,343	64.6
ES exclusive	2,405	23.4	3,141	16.4
Common employers	685	6.6	3,618	18.9
All ES employers	3,090	100.0	4,288	100.0
ES exclusive	2,405	77.8	3,141	73.3
Common employers	685	22.2	1,147	26.7
All want ad employers	7,896	100.0	14,814	100.0
Want ad exclusive	7,211	91.3	12,343	83.3
Common employers	685	8.7	2,471	16.7


All Employers in Match Study
10,301
All ES Employers
Exclusive ES employers 2,405
Common employ-ers 685
Exclusive want ad Employers
7,211
All Want Ad Employers

time during the month, placed their listings with both ES and want ads. These 685 employers had a total of 3,618 jobs to fill, of which more than two-thirds (2,471) were listed with the want ads and one-third (1,147) were placed with ES. Common employers use both want ads and ES more heavily, by far, than the other two sets of users. Figure 6.2 demonstrates the behavior of this subgroup with clarity, when compared to all other users. The average number of orders placed by each exclusive ES user is 1.3; common employers each place an average of 1.7 orders in ES. The average number of want ad listings placed by each exclusive want ad employer is

Figure 6.2. Comparison Between Common File and Exclusive File



1.7; common employers each place an average of 3.6--over twice as many--listings in the want ads. Whatever the measure--listings, ads, lines per ad--the heavier use of either intermediary by the common employer subgroup is affirmed. A frequency count of listings by all 685 common employers disclosed that 69 of them (10%), who were the heaviest users, generated nearly 45 percent of want ad listings in that file, 40 percent of the ads and 33 percent of ES orders.

The match study indicates that there were at least 2.6 different employers who used the want ads to every one employer who used ES. Interestingly, the BLS study shows that 2.4 jobs were obtained through the want ads for every one obtained through ES, while the Camil study shows a three-to-one ratio.

There is considerable variance in this ratio of want ad employer users to ES users among the areas, as shown by Figure 6.3. The comparison ranges from 0.9:1 in Boise, which was the only area where ES had a slightly greater volume of employer users than the want ads, to Atlanta where want ad employers outnumbered ES employers 7.2:1.[1]

Referring back to Figure 6.1--overall, at least 22 percent of ES users also listed openings in the want ads during the same period. These employers accounted for 26.7 percent of ES orders. It is a fair assumption, however, that an additional--but undetermined--number of employers who were identified as exclusive ES users, are actually common employers since the identifiers used to form a match could not be established in 32 percent of the ads. Indeed, if the ratio of common employers among the unidentified want ad users is the same as it is among those whose identities were established, the calculated correction would increase the proportion of ES employers who also use want ads from 22 percent to 33 percent, further constricting the number of employers within the exclusive ES domain,[2] and the number of ES orders emanating from common employers who use both mechanisms at the same time would be a startling 40 percent, as shown in Table 6.1. Only 8.7 percent of want ad employers also list with ES but they account for 16 percent of the want ad listings.[3]

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[1] Dayton, where the data show a ratio of 8.6:1, was distorted by the sparse ES file due to the missing local office.

[2] Prior research supports the greater incidence of want ad use by ES patrons. Such research includes, in addition to the Camil study, the Classified Ad Project in Six Sample Offices, California Employment Development Department, August 1974, and Walsh, et al., Help Wanted: Case Studies of Classified Ads, Salt Lake City: Olympus Publishing Co., 1976.

[3] The studies cited in the preceding footnote indicate that the proportion of help wanted advertisers who also list with ES is considerably higher than 8.7 percent, as high as one-third of the total. The apparent discrepancy is explained by the greater time constraint of the present study, the missing data and other feasibility problems. This study is limited to a four week period. The other studies had a longer time frame. Patently, the longer the period, the greater likelihood of an employer's resort to double listing. In any case, the findings from this match study must be regarded on an "at least" basis since error occurs only in missed matches, not in matches.

Figure 6.3. Employers Match Study, by Area
(Arranged by size of population)

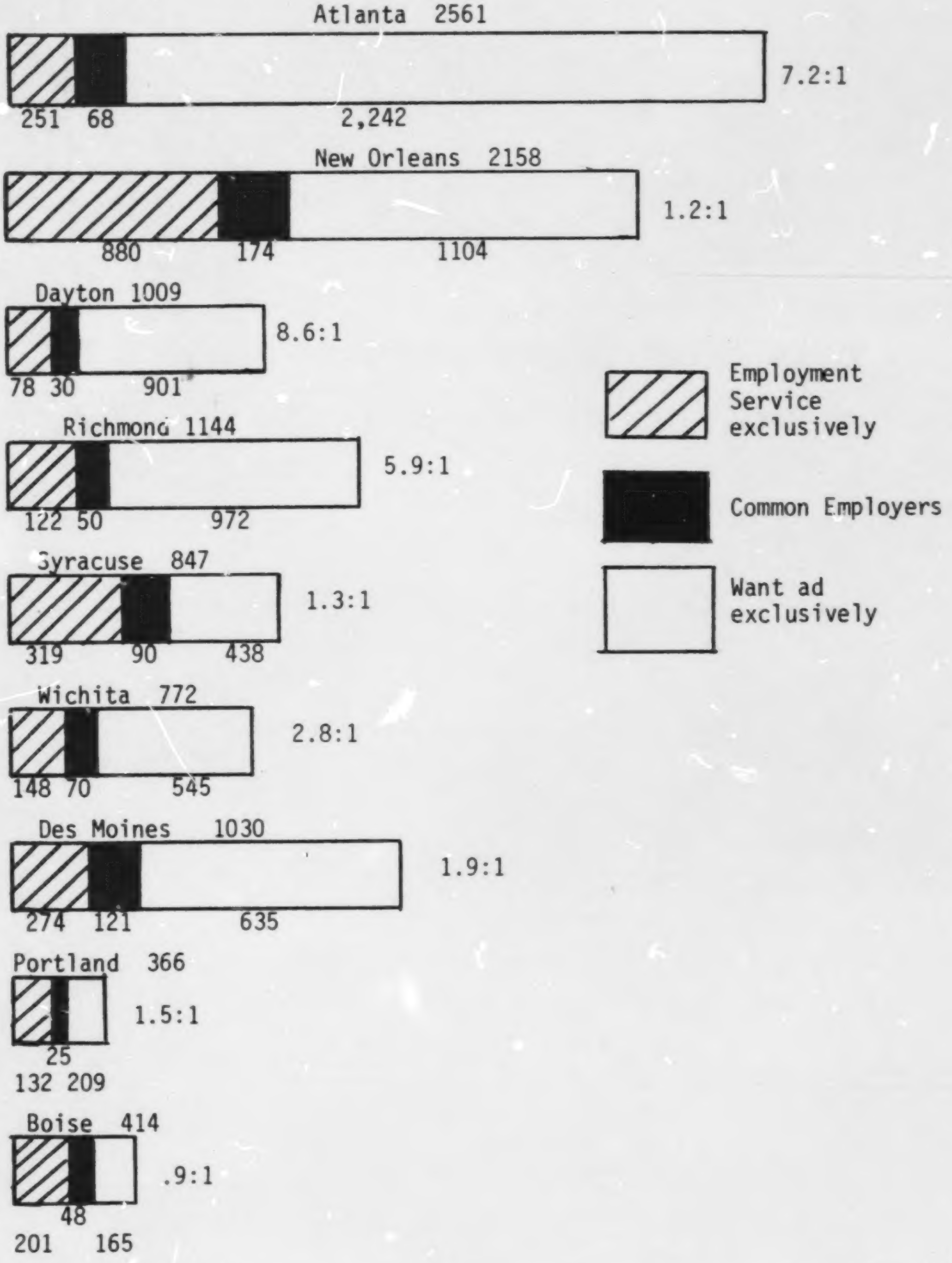

Table 6-1. Match Study Employers
Corrected for Missing 31.9% of Want Ad Data

	Employers	Percent	Listings	Percent
All matches	13,679	100.0%	26,042	100.0%
Want ad exclusive	10,589	77.4	18,125	69.6
ES exclusive	2,084	15.2	2,604	10.0
Multi-Media	1,006	7.4	5,313	20.4
All ES	3,090	100.0	4,288	100.0
ES exclusive	2,084	67.4	2,604	60.7
Multi-Media	1,006	32.6	1,684	39.3
All want ads	11,595	100.0	21,754	100.0
Want ad exclusive	10,589	91.3	18,125	83.3
Multi-Media	1,006	8.7	3,629	16.7

The penetration by the ES/WA channels of the potential job market was obtained by comparing listings of both mechanisms to the number of employing units in each of the areas during October 1974 (Table 6-2). Overall, ES and want ads carried listings from 9.8 percent of the employing units during the month, but ES penetration of the employing units during the month was only 3.4 percent. Thus, overall, the ES share of the joint ES/WA penetration was 34 percent.

In summary, the match study demonstrates most clearly the degree to which employers prefer to broadcast their jobs through the want ads rather than ES. Nearly three times as many employers were using want ads as were using ES. At the very least, over one-fifth of all ES employers also use want ads. A comparatively small body of employers use both intermediaries to a very heavy degree and generate a disproportionately large share of ads and listings in both intermediaries. The ES/WA market penetrates approximately 10 percent of the employing units in a month's time, but ES penetration accounts for only one-third of that.

Focusing on the Multi-Media Employers

The analysis in this section is limited to the behavior of the common employers--that group of 685 employers who used both ES and want ads during October. The common employer file is an aggregation of all listings placed by a single employer in both mechanisms if his/her telephone number either appeared or could be obtained in both at least once during the month. The employer may have listed the same or different occupations, in varying volumes, in each of the two intermediaries. Nevertheless, all of the listings of that employer are gathered under the discrete telephone number and placed in the common employer file, with appropriate occupational dispersions of the listings.

A multi-media employer cannot, by definition, be regarded as the exclusive user of either ES or the want ads. However, the full extent of listings by all employers in either mechanism is available from the flow study, though the flow study provides no data about employers. Therefore, a comparison between the common employer file and the flow file provides insight into the degree to which intermediaries share employers and jobs, and the degree to which each has an exclusive province in the areas and by occupations.

Table 6-2 organizes the two data bases by the areas involved in the match study, arranged by population size. The range of differences among areas in commonality and exclusiveness is quite marked. Fewer than 10 percent of the listings in the want ads of Atlanta, Dayton, Richmond, and Portland emanated from employers who used ES. Over 90 percent of those listings stemmed from exclusive want ad users. The same areas did not show an equal tendency for ES exclusiveness, except in Dayton and Portland where ES listings from common employers were under 20 percent of the flow.

As was shown in Figure 6.1, 685 common employers were identified in the match study which represents 6.6 percent of the total 10,301 employers identified in the match study. These 685 employers generated 11.4 percent of the want ad flow listings and 25.2 percent of the ES listings, as shown in Table 6-3.

Jobs listed with ES also showed a considerable range of difference in exclusiveness and commonality from area to area. Over 80 percent of ES listings in the flow study from Portland, Dayton, and New Orleans came from exclusive ES users. However, ES in Wichita and Des Moines shared nearly 40 percent of its orders with want ads. In no area did ES have as large a group of exclusive employers or listings as want ads.

An analysis of the length of time employer listings remain open at ES

Table 6-2. Employment Service Penetration[1] Percent of Area Employers Using Public Intermediaries

(Arranged by Population Size)

Areas	Number of ES user firms (1)	Percent of area employing units using ES 1 ÷ 5 (2)	Number of public intermediaries user firms (3)	Percent of area employers using public intermediaries 3 ÷ 5 (4)	Total area employing units (5)	ES percent of public intermediaries 3 ÷ 1 (6)
Atlanta	319	0.9%	2,561	7.4%	34,605	12.2%
New Orleans	1,054	5.6	2,158	11.4	18,979	49.2
Dayton[2]	108	0.8	1,009	7.9	12,818	10.1
Richmond	172	1.8	1,144	11.8	9,695	15.3
Syracuse	409	3.7	847	7.7	11,010	48.1
Wichita	227	3.1	772	10.5	7,333	29.5
Des Moines	395	5.7	1,030	14.9	6,895	38.2
Portland	157	3.5	366	8.2	4,453	42.7
Boise	249	5.2	414	8.6	4,827	60.5
Overall average		3.4		9.8		34.0

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[1] "Penetration" means that a firm has at least one listing in ES, want ad or both.

[2] Data missing from Local Office 2005.

Table 6-3. Comparison of Common Employers and Listings to Flow Study Employers and Listings, by Area

	Want Ads				Employment Service			
		Common employers		Common employer listings as percent of flow		Common employers		Common employer listings as percent of flow
Areas	Flow listings (1)	employers (2)	listings (3)	3 ÷ 1 (4)	ES flow study (5)	employers (6)	listings (7)	7 ÷ 5 (8)
Atlanta	5,114	68	180	3.5%	408	68	96	23.5%
New Orleans	4,079	174	708	17.4	1,606	174	317	19.7
Dayton	2,505	30	78	3.1	393	30	54	13.7
Richmond	3,028	50	222	7.3	210	50	67	31.9
Syracuse	1,272	90	208	16.4	604	90	185	30.6
Wichita	2,429	79	439	18.1	272	79	106	39.0
Des Moines	2,278	121	495	21.7	542	121	211	38.9
Portland	553	25	47	8.5	204	25	32	15.7
Boise	496	48	94	19.0	308	48	79	25.6
TOTALS	21,754	685	2,471	11.4	4,547	685	1,147	25.2

suggests that there is considerable difference in the type of jobs placed by exclusive users from those that emanate from common employers. Of the job listings received by ES during the four week study period, over 52 percent of those placed by employers using ES exclusively were closed by the end of the period. Only 32 percent of the jobs in the same occupations placed with both ES and want ads by common employers were closed by the end of the period (an order is closed either because it is filled or canceled). Job orders from exclusive users of ES required less time to close--5.5 days--than jobs placed by common employers in the same occupation. A number of explanations suggest themselves, foremost of which is that the jobs offered by these public market users are harder to fill, either because they are less attractive or are in skills which are in short supply. It is also possible that ES is more responsive to exclusive ES users.

Want ads are the nearly exclusive medium for employers seeking to fill sales jobs with only 5.2 percent in that occupation emanating from common employers. ES also carries sales jobs, but the employers using it for that purpose are more inclined also to use want ads. Employers listing professional and blue-collar jobs with the want ads are more inclined to list with ES as well, though common employers account for less than 20 percent of the listings in any occupational group. However, with a few minor exceptions in small occupations, over 20 percent of ES orders in all occupations emanated from employers who also used the want ads during October 1974. The heaviest representation of common employers was found in the professional and clerical occupations.

The common employers generated a professional, technical, and managerial distribution of 21.2 percent of the listings in the want ads, and only 10.5 percent in ES, indicating a clear preference for want ads as the intermediary for higher level skills. Common employers account for a higher percentage of clerical listings in ES than are evident in ES flow distribution, though heavily shared with want ads.

Not only do want ads get a much higher volume of employers and listings, but a far higher proportion of the jobs emanate from exclusive want ad users. Only 11 percent of the want ad flow listings were placed by employers who also listed with ES. Sales jobs are the special province of the want ads, with relatively few employers listing with both media.

Matched and Unmatched Occupations

Do common employers use both intermediaries for the same occupations? If an employer does so, it is called for purposes of this study an occupational match. No matter how many jobs the employer lists with each intermediary in any occupation, jobs drop into the "matched" box only if the same employer requests the same occupation from both intermediaries at least once. A department store, for example, may place 10 ads in the newspapers, five of which are for a secretary, two for a janitor, and three for salespersons. The same employer may place four ES orders, one of which is for a secretary, one for a file clerk, one for a seamstress, and one for a wrapper. The six secretary listings and one file clerk listing will show as matched, five under want ads, and two under ES (since secretary and file clerk are the same two-digit code). The other occupational listings, though emanating from the same common employer are shown as unmatched occupations. All of the jobs were placed by employers who, at one point or another during the month, used both mechanisms.

As shown in Figure 6.1, there were 3,618 total listings in the match study from common employers, of which 2,471 were want ad listings and 1,147 were ES listings. These jobs are further subdivided in Table 6-4, between matched and unmatched (or exclusive) listings in each mechanism.

Out of all want ad listings, 61.9 percent were in occupations listed only in the want ads by individual common employers. The perceptions of the employers as to which mechanism they regard as appropriate for recruiting in a particular occupation is very evident. Employers who used want ads for managerial, sales, and benchwork jobs apparently regarded the ads as the best recruitment source, and were least inclined to also list those jobs with ES. However, employers use both intermediaries frequently when broadcasting service jobs.

Out of all ES listings, 56.1 percent were in occupations listed by individual common employers. However, those employers who used ES for managerial, sales, processing, and miscellaneous occupations tended to use it exclusively for that purpose. Despite the fact that the employers in question do use both mechanisms, they, nevertheless, do not use them indiscriminately for all of their occupational needs, but favor one or the other most of the time.

Table 6-4. Common Employers' Matched and Unmatched Occupations

Variable	Want Ads				Employment Service			
	Matched	Unmatched	Total want ad listings	% of total want ads unmatched	Matched	Unmatched	Total ES listings	Percent of total ES unmatched
Prof.-Tech.	146	249	395	63.0%	37	41	78	52.6%
Manager	17	112	129	86.8	13	30	43	69.8
Clerical	163	285	448	63.6	128	197	325	60.6
Sales	23	147	170	86.4	21	56	77	72.7
Service	351	249	600	41.5	170	137	307	44.0
Farm	4	5	9	55.6	4	3	7	42.9
Processing	5	18	23	78.3	4	11	15	73.3
Machine	91	125	216	57.9	27	28	55	50.9
Bench	8	49	57	86.0	7	14	21	55.7
Structural	101	177	278	63.7	64	60	124	48.4
Misc.	32	114	146	78.1	28	67	95	70.5
TOTAL	941	1,530	2,471	61.9%	503	644	1,147	56.1%

Sequence of Common Use

Where common employers use both the want ads and ES, they generally use want ads first. On the average, they do not try ES until almost six days after placing their want ad. This suggests that common employers may view ES as their last resort recruitment effort.

Summary

An examination of common employers (i.e., those who used both ES and want ads), as well as those who used either medium exclusively, reinforced earlier findings that most employers exhibit a decided preference for want ads over ES.

Exclusive users of want ads (7,211) outnumbered exclusive users of ES (2,405) about three to one. The volume of listings produced by exclusive want ad users was four times the volume of job orders placed by exclusive ES employers (12,343 versus 3,141).

Common employers numbered 685, slightly less than 7 percent of the 10,301 employers whose identity could be established for this match study. These 685 common employers listed twice as many jobs in the want ads (2,471) as they placed with ES (1,147). Although representing less than 7 percent of all employers in the match study, the 685 common employers accounted for 19 percent of all ES/WA listings.

At least 22 percent of ES users also listed openings in the want ads in the four week study period. However, 31.9 percent of the help wanted advertisers could not be identified; if it is assumed that the proportion of common employers among these unidentified want ad users is the same as it was among those identified, then the proportion of ES patrons who also place want ads would rise to 33 percent and would account for 40 percent of ES job orders in the four week study period.

Generally, common employers tend to prefer the want ads over ES in recruiting employees with higher level skills. Generally, too, they placed their want ads first, and, on the average, did not resort to ES until almost six days later.

7. CONCLUSIONS AND IMPLICATIONS

We turn now to conclusions that flow from our findings and to consequent implications for public policy, especially as it shapes ES goals and programs.

Conclusions

1. There is a significant discrepancy between the reality of ES activity in the labor market and the perceptions of that activity by its operating personnel.

2. The discrepancy is manifested in the confident assumption made by most ES administrators when they were interviewed that in their respective areas ES was a far more important employment medium than the want ads. Our study found the opposite to be true: want ads were used by three times as many local employers and listed three times as many local new jobs as did ES. Job seekers in virtually all occupations, in nearly all areas, are exposed to a larger flow of new local job opportunities through the want ads than through ES.

3. The two mechanisms serve a similar market function. Together, they constitute a discrete, highly competitive market with characteristics which suggest that their universe of vacancies has undergone a picking off and filtering process through other formal and informal channels that are preferred by employers. As a whole, the announcement of a job in either or both mechanisms represents a last-resort employer recruitment method.

4. This discrete market is characterized by the following: (a) a heavy volume of jobs in low-pay, low-status occupations. Jobs in occupations with uncertain income and jobs with specifications that relatively few workers can meet; (b) a relatively low volume of jobs in some major occupations in the work force; (c) the heavy common use of both ES and want ads by the same industrial sectors; (d) simultaneous use of both channels by a relatively small number of employers who account for a disproportionate share of listings in ES and want ads; (e) persistence of these characteristics in most labor market areas, regardless of their distinct industrial composition.

5. Despite the ES self-image as the possessor of screening and selection skills, a large body of employers prefer to use their own screening mechanisms. Occupations traditionally associated with an intensive brokering

function (professional, technical, managerial, and clerical) are more likely to be found in want ads where a screening and selection service is not forthcoming, than in ES, where it is. A higher proportion of want ad listings is in the white-collar occupations, while jobs in low-pay blue-collar and service occupations constitute a higher proportion of the new job flow into ES than into want ads.

6. Employer usage indicates one unique province for ES: providing a pool of immediately available job seekers to respond to openings in mainly low-pay, low-status occupations that require little selection and immediate response. By and large, these are occupations in which no other intermediaries perform a centralizing or job-distributing role with the required speed.

7. The sluggish movement of professional, managerial, and technical occupations in ES may partially account for the relatively light use such high-skill applicants make of the agency. ES local offices offer meager incentives for these job seekers since listings in these occupations change little from day-to-day. However, for those seeking semi-skilled and unskilled service and blue-collar jobs, an incentive for frequent visits to the local ES office is indicated by the higher in-and-out daily flow of such jobs than is evident from the monthly inventory of unfilled openings. The image of a union dispatching hall is more readily evoked by ES flow data than that of a job broker's office. and this is reflected in the applicant supply.

8. Depsite the more limited use of ES, its stock and flow of jobs represent a more even distribution through a wider range of occupations and industries than the want ad stock and flow.

9. When employers use both channels, the jobs, on the average, appear in ES six days after they appeared in the want ads. Generally, jobs remain open in ES approximately three times longer than they do in the want ads. The differences in the duration of listings account for the fact that the stock or inventory of jobs available to a job seeker upon first exposure to both mechanisms is slightly greater in ES than in the want ads.

10. Want ads and ES appear to be equally effective in filling the vacancies listed with each: that is, ES receives about one-third as many new listings and, according to the findings of the Camil study, ES effects approximately one-third as many placements as want ads.

11. The mandatory listing program has an important impact upon the volume and occupational composition of ES stocks, weighting the composition

with professional, technical, and high-skill blue-collar occupations, but is far less significant in the flow of new jobs. Approximately 11 percent of the new listings are generated by the mandatory listing programs. Mandatory listings tend to remain open in the system for a longer period than most jobs, mainly because of their generally higher education and skill requirements.

12. Systems for gathering, storing, and retrieving information have failed to provide ES policy makers and administrators with an adequate perspective of the role played by the agency, the nature of imbalances between jobs and job seekers, or the dynamics of the market place. Such factors are largely concealed by an automated management information system that presents masses of data in restricted and obfuscating formats. The enormous difference in occupational profile of ES jobs that emerges when both stock and flow perspectives are applied, as was done in this study, is illustrative of this point.

Supportive Evidence

Before proceding to a discussion of what is implied by the above conclusions it is well to note that on one pivotal point--the role that employers assign to ES--the picture that can be discerned in our study is strongly supported and fleshed out by other studies. For example, the Camil interviews with sample employers revealed that half of the respondents expect little more than a flow of applicants coming from a pool, rather than careful screening, when they place their openings with ES, and that employers using ES expect a quicker response than do employers who place openings with other intermediaries.

A report to the Congress on ES by the General Accounting Office[1/] asserts that the service now "handles a relatively small and specialized part of the labor market- jobs and persons characterized by low pay." The report recommends that plans to increase the agency's penetration of the labor market should be directed toward seeking the types of jobs that meet applicant needs.

The ES response to the GAO report, as recorded in the Appendix, cannot be ignored in our discussion because, in a sense, it suggests the arguments that might be made in response to this study. Basically, ES denied GAO's characterization of its role. ES claimed that a survey of ES-listed openings

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[1/] Comptroller General's Report to the Congress: The Employment Service -- Problems and Opportunities for Improvement. Washington: Human Resources Division, U.S. General Accounting Office, October 1976.

and of vacancies in the job market found "the distribution of openings and vacancies by occupation was relatively close;" that "ES placements appear to represent an average of about 38 percent of all new hires of jobless workers in the decade from 1965 to 1975;" and that "about 75 percent of all unemployed workers registered with the ES in the period 1960 to 1975." This, ES contended, is hardly a small part of the labor market. ES attributed the confusion in role definition mainly to the multiplicity and dissonance of agency missions and mandates.

At first blush it appears that differences between ES and GAO perceptions rest largely on how the data produced by information systems are interpreted. For that reason, it might be well to deal first with our last conclusion--that information systems have heretofore failed to reflect reality.

At this point, the management and labor market information systems are on the brink of major breakthroughs that will, in time, provide less disputable and more reliable instruments for examining the labor market and assessing the extent of ES activity in this market. For example, the Employment Service Potential (ESP) project is developing the capability for comparing social security numbers reported in employer quarterly tax returns in 37 states to reports of previous quarters and, by elimination, providing a measure of all new hires, accessions, separations, and recalls that occurred, by industry and area, in covered employment. Though this method will not immediately provide new-hire data by occupation and is limited to a few states, plans call for making ESP a national effort and for developing occupational-industrial matrices in each state.

ESP gives promise of revolutionizing the understanding of labor markets and providing a universe of objective, hard, flow data that will make it possible to assess with greater precision the respective roles of intermediaries. It is unfortunate that such data were not available to use in this study, and it is even more unfortuante that ES has not had such a tool for self-appraisal.

The degree to which reality seems to have eluded labor market analysis until now is evident from preliminary ESP findings. Project data from California and Nevada reveal a far more volatile labor market than had previously been suspected. In Nevada, for example, the statewide average of new hires for every job in covered employment in 1976 was an astonishing 1.6.[2]

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[2] ESP--The Nevada Employment Service Potential Project (Nevada: Nevada

New hires in manufacturing were found to be 55 percent greater than had been estimated by the Bureau of Labor Statistics turnover series for the same period. Insights into the ES rate of penetration of its potential market are equally startling. In Nevada, the rate was 6.1 percent. In California, using a different time frame and different factor for defining which new hires fell outside of the ES potential, the penetration rate was even smaller.[3] Those these findings do not represent a national figure, 6.1 percent is a long, far cry from the national 38 percent penetration suggested in the ES reply to the GAO report.

The glimpse afforded by ESP into the dynamics of labor market behavior suggests that prevalent views of the market place have been very conservative. Most labor market statistics have, heretofore, been based on stock data, and it is possible that because of that the ephemeral entity, the secondary labor market, has eluded scrutiny. Insights about market volatility emanating from ESP data tend to support the findings of this study--that the extent and nature of ES activity in labor exchange are significantly altered when examined from the two different perspectives (i.e., stock and flow). Further, the hypothesis, embedded in our job recruitment/search model--that only a small part of all job vacancies filter into the public market to be placed before a highly competitive supply of "less belonging" workers--draw tentative support from ESP findings.

Implications for Labor Market Research and Analysis

The present ES role dilemma is in part due to its inability to define the needs of job seekers, employers or the labor market as a whole, and to delineate its own activities in those terms. The automated reporting system as presently constructed does not display the volume and characteristics of flows of applicants and jobs in a way that facilitates either analyzing these flows or comparing them with the stocks of applicants and jobs.

In addition to the new arrays of data currently under consideration, we offer additional suggestions, some of which are prompted by the stock and flow perspectives in this study:

Employment Security Department, prepared under contract for U.S. Department of Labor, Employment and Training Administration, Region IX, December, 1976).

[3] Unpublished report.

1. Development of report formats reflecting the two perspectives would enhance comprehension of those the agency helps most and those it helps least, be they employers or applicants, and what it is that occupies so much of staff time daily.

2. Most imbalances of labor supply and demand ultimately emerge in ES job and applicant stocks. A detailed, qualitative analysis of these stocks would provide policy makers with a deeper perspective on these imbalances and would suggest a more realistic corrective role for ES. Such an analysis would pinpoint the kinds of jobs that need to be developed to fill applicant needs.

Such insights are currently obscured by aggregations, by the practice of using a stock figure against a flow figure, and by occupational job titles that fail to reveal critical differences within occupations, as well as other factors accounting for the imbalances. A comparison of the specifications of job orders proving hard to fill to those of job orders for related occupations that were easily filled is likely to reveal the critical differences between jobs. On the applicant side, work history, skill, and educational level, and the applicant's disabilities are likely to provide the key to differences between applicants who could not be placed and those easily placed. Artifical definitions of need such as "poverty status" and "disadvantagement" tend to obscure worker training needs, lack of worker identity with a career pattern, and other conditions more indicative of the corrective role for which ES is needed.

3. ES stocks are roughly representative of the occupational composition of the country's employment. The agency's automated system, which provides readily available data each month on the volume and occupational composition of the ES job stock, offers a potential source for a reasonably inexpensive indicator of the direction and nature of change in area vacancies. Since there are no occupational series among area labor market statistics, and to our knowledge none is immediately contemplated, such an indicator would represent an important addition to metropolitan labor statistics.

4. Though the findings of this study provide considerable support to the job search/recruitment model outlined in Chapter 1, it is clear that additional research into each of the other formal recruitment levels is necessary, with particular emphasis on the private employment agencies, the placement function of training schools, labor unions and college placement

institutions. Further research is also needed to determine why employers pursue the recruitment and hiring channels they do and the degree to which their decisions are based on knowledge of costs. Such a probe into the rationale of employer behavior would require interviewing data as well as statistics.

Dilemmas in ES Role Definition

Varied answers have been given to the key question: What is there about ES that inhibits employers and highly qualified jobs seekers from a wider use of its capabilities?

The Camil study suggests that employers who fail to use ES attribute their failure to a lack of need for ES services rather than to a negative rejection. Those employers who have used the agency and are dissatisfied with it, attribute their dissatisfaction to inadequate screening, no referrals and poor applicant supply. A common explanation for the poor applicant supply is the inadequacy and low level of job openings. Popular wisdom among ES personnel has it that the emphasis on placing the disadvantaged during the 1960's permanently alienated employers. Others feel that employers are discouraged from using a government agency because of discomfort with its role in enforcing compliance with anti-discrimination, work-test, and other legislative mandates. Though there may be truth in all of these explanations, such a catalogue suggests that the question of why private entrepreneurs fail to use ES in larger numbers remains largely speculative and unanswered.

There is now an enormous national effort directed at increasing the volume of job openings in ES by strengthening the employer visiting program. This implies that administrators see the problem as a failure in public relations, amenable to a more effective "sales" approach; i.e., if employers were contacted more assiduously, they could be induced to place their open orders with the agency, thus providing applicants with more opportunities, resulting in a higher placement count. The GAO report tacitly concurs in this emphasis, with the added caution that the types of jobs to be developed should meet the needs of applicants, and the suggetion that consideration be given to the "adequacy of existing alternative placement sources to meet these needs."

Much of the foregoing has a familiar ring. As far back as 1958, some years before ES focused its concern on the "disadvantaged," a Labor Department evaluation described the agency as having been through "11 years of stalemate, if not progressive decline." Secretary of Labor James P. Mitchell noted, in 1958, in a speech before the Interstate Conference of Employment Service Agencies, that if the steady decline in ES activities continued, the agency would affect so small a portion of the country's workers that it would become questionable whether the expense of maintaining it is worthwhile.

Indeed, the problem is old and persistent, and, unfortunately, so are the solutions. Repeatedly and inexorably through the years, the solution offered has been about the same--increase the appeal to the employer and thus create a change in employer recruitment patterns. The requirement that federal contractors list most openings with the employment service (begun in 1971 and still operating), is an attempt to increase the volume of openings and placements in ES by mandate rather than appeal. Yet, despite all of this, the volume of openings listed with ES from 1947 to 1974 has been either constant or slightly declining, though in the same period the total number of employed in the country as increased by 53 percent. The reality is that none of the techniques tried--appeal or mandate--has been effective in any sustained way. It would seem that it is time to look at the problem in new ways and to seek other types of answers.

Both ES and its critics appear to accept the same premise, one that is seldom mentioned and often unrecognized because it is so deeply ingrained: Matches that occur without ES participation are, ipso facto, less advantageous to employers, job seekers, and society generally than they would be if they were performed by the agency. In theory, job seekers obtain work faster, get a higher starting wage, greater job satisfaction, are better matched and therefore, remain on the job longer if they get their job through ES than if they go out on their own, ask friends, answer want ads or, for example, use the union hall. Employers theoretically fill their openings more quickly, for less cost, reduce turnover and have a better selection of workers if they use ES. The plain fact is that there has been little if any evidence to support this theoretical premise which informs all attempts by ES, by economists and other researchers to assess the impact of ES and define its role. It is the rationale that underlies all activities designed to increase ES share of the market.

The dispute between those economists who believe that the labor market would be more efficient and orderly if both workers and employers were required to conduct their search through the public employment service, and those that hold with a voluntary approach to job and worker search remains unresolved. Until and unless a "managed" market policy is adopted, it is surely not acceptable social policy for ES to disparage alternative hiring channels so long as they operate without violating public policies, without unwarranted exclusions, and without creating undue penalities against segments of the work force. Nor is it conceivable that, in today's self-help climate, a public agency would discourage the individual initiative of job seekers. A more reasonable mission for ES is to fill otherwise unmet needs on both sides of the job market, to alert the country to imbalances, and to direct its own efforts toward the correction of imbalances which it can perceive more clearly than any other institution because it alone deals directly, at the front lines, with both sides of the market in all occupations, in all communities. No other institution in the labor market does this.

The recruitment/search model offered earlier suggests that the problem (i.e., relatively restricted use of ES by employers) is far more deeply rooted in labor market realities than in agency behavior. The model suggests that it is highly improbable that ES participation in job placements can be permanently expanded by exhorting employers to use the agency instead of hiring through informal, closer, more intimate channels. This negative prognosis is borne out by historical experience. The only consistent competitive potential for ES lies in those jobs that are listed and filled through want ads or private employment agencies. These are the openings which, for a whole range of reasons, are the hardest to fill, are least suited to the ES applicant supply, and are the most apt to be cancelled by ES, even though only 17 percent of ES applicants are placed. Camil and other researchers have found that an increase in the number of openings does not necessarily result in an increased number of placements. Frequently the effort has been counterproductive, serving to increase employer dissatisfaction because their needs and expectations remained unmet.

Implications for ES Policy and Programs

We have supplemented our conclusions with a discussion of other current findings and "state-of-the-art" dialogue that impressed us as having a significant bearing on the issues that have emerged from this study. We believe these sources reinforce the specific implications for ES policy and operation that flow from our own findings. These implications follow:

1. Different types of jobs require different levels of labor exchange effort. Generally speaking, those jobs that require the worker to exercise a substantial degree of discretion and/or a high minimum performance standard need more intensive "brokering" because both worker and employer desire more knowledge about each other. Jobs that provide little latitude for worker discretion or autonomous action, with a low productivity standard, have less need for screening. The more fungible the job or the worker, the more appropriate it is to broadcast the opening to a known pool of job seekers who are immediately available.

The broadcast/broker institutional models delineated in Chapter 1 described the different organizational traits that characterize and underpin each model. To recapitulate, the broker model requires that the same staff deal with both sides of the market as well as with the development of new sources of job openings and job seekers; to make placements, the broker model depends heavily on the technique of job development for an individual applicant, in preference to filling "house" openings;[4/] it solicits and advertises for a continuous flow of desirable applicants more than it does for job openings; it gets its rewards from placements only; it specializes in a group of related occupations, fields of work or industries; it culls both jobs and applicants for the most likely and easily attained matches that will stick; it retains all information unto itself about both employer and worker until a meeting between the two has been arranged; it is highly dependent upon developing a personal, trusting relationship with users to insure return business. The private employment agencies approach this model.

The broadcast model, typified by want ads, is a reverse of the broker structure, separating dealings with the two sides of the market, and depending upon a separate sales force to develop business. It is essentially impersonal and the individual taking the job order carries no responsibility for filling it. The present organizational structure and procedures of ES incorporates elements of both.

Both types of jobs flow into ES. Yet, though organizational structures

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[4/] Agency owners, in private discussion, estimated that 70 percent of all of their placements are a consequence of individual job development.

in ES vary, they do so by area, not by the type of job to be filled. All jobs listed in a particular area go through the same processes; they either all go to a centralized order-taking unit or they all go to the local office; they are either all displayed or none is displayed. Employers who phone in their orders are not asked about how they want their job to be handled, nor are they informed as to how that will be done. It would also be helpful to know whether ES is but one of several channels tapped by the employer to fill that opening or is the sole intermediary on which the employer is depending.

An attempt to design different institutional structures for different types of jobs is evident in changes introduced into the British employment service. There, the broadcast type of jobs (those in skill levels below high clerical), are placed in a public office for self-selection purposes, without even removing the identity of the employer, according to the description offered by a visiting official of the British employment service system. The display of jobs is clearly in the broadcast mode, not unlike the use of newspaper want ads, except that the display is centralized and housed rather than dispersed, as newspapers are. On the other hand, jobs requiring brokering are handled in offices closely resembling a private employment agency in style and decor, and employers are charged a fee for a successful match.

We are much too aware of the enormous political and institutional differences between Britain and the U.S. to suggest replication of the British model. Nonetheless, it might be fruitful for ES to consider the idea that manifest differentiations in the job market might be better served by differentiated responses. More specifically, it might consciously examine whether and where the two functions--brokering and broadcast--might be differentiated structurally, with particular consideration to the participatory role that employers could be asked to play.

2. The findings of this study suggest that the most useful ES characteristic to employers might well be its access to a pool of applicants and its capability to respond quickly. It is possible that to present users of ES the cost of waiting for a job match is the cost giving them the greatest concern.

Most of these quick moving jobs fall into what has been termed the secondary labor market (however ill-defined and uncharted). It has been suggested that ES encourages and abets the secondary labor market by providing an institutional focus for it, and that this is dubious public policy. Such a placement of the question tends to invert cause and effect. Low-pay, low-status occupations do not exist because ES supplies workers to fill them; ES supplies workers for such occupations because they exist. Such occupations are and have been a feature of our economy; they antedate ES and are generated independently of ES. Moreover, the most strenuous exertions of ES would be of little use if circumstances, external to the agency, had not created a supply of workers who feel impelled to take such jobs.

Joined to those economic realities is another: whether by intent or default, ES _is_ the agency for lower-skilled, new or ill-equipped competitors in the labor market. At present, ES fills this role passively, trying to make it as inconspicuous as possible, and adhering to the self-perception that it was really intended for finer things. An alternative approach might be to embrace that market, to essay a forthright confrontation with reality, coupled with the resolve that since this role is the one defined by practice, ES should make a serious effort to respond by ascertaining how it might best be performed.

It is in the latter spirit that we examine the secondary labor market more closely. It is generally unattended by any ordering mechanism or intermediary. Though there is some unionization, it seldom involves a contractual stipulation that employers obtain their workers through the union exclusively. Because training costs are relatively low, the market is characterized by extremely high turnover. As a result of these factors, there is much milling about, a "hit or miss" search, an element of chaos, without a centralized forum or exchange.

Now, let us suppose that ES attempted to perform such a centralizing function: It would then proceed deliberately to develop the kind of institutional mechanisms, the technology and the volume of activity that would be capable of serving a comparatively large daily flow of jobs and job seekers as a central community resource. In this fashion it would create some measure of system and order within this chaotic market. The possible effects are suggested by some prior examples of such ordering and systematization. The most celebrated example was the transformation of the highly casual, unstable labor exchange market for Pacific Coast longshoremen into a highly desirable and primary one. This was the function of the union contract and the union-operated hiring hall through which the supply of labor is controlled and the jobs are distributed. Since ES cannot play a trade union role, other examples may be more pertinent.

The temporary employment market was chaotic until the commerical temporary agencies stepped in and, playing the role of labor contractor, created an orderly system. Whatever else its flaws, the system does provide a continuous source of work for those who can't or won't work on a permanent basis, people who are between jobs, who are entering or reentering the labor market and desire to test their skills without making a permanent commitment. Employers are provided with a ready supply of temporary help without the necessity of doing their own recruitment and hiring. Without a doubt, temporary agencies play a stabilizing rather than a churning role, while fulfilling a need.

In some cities the domestic desk and casual labor office in ES operate on a primitive kind of hiring hall level, though generally these units get little attention or encouragement, even less publicity and are regarded with little if any pride. The fact is that in most communities, no centralized labor exchange exists in such arenas as unskilled restaurant occupations, cleaning occupations, household work, service station attendance and miscellaneous labor. This is a labor market need that can be filled by ES, if it were less concerned with respectability of image and more responsive to the needs of both its applicant supply and a segment of employers. The great volume of ES applicants who are new to the market might well be better served with such a mechanism.

3. The most compelling job search data available suggest that as high as 95 percent of the jobs are obtained outside of the ES system, and 65 percent are obtained outside of any formal system. ES is unable to place over 73 percent of its applicants. An uncommonly high proportion of the applicant supply consists of youth, minorities, older workers, low-skill workers, women long absent from the labor market, individuals with varying degrees of disadvantage in the applicant queue. These are the individuals who lack the "ins"--the enlarged network of friends and relatives--or haven't passed through the "rites of passage." Most relevant to this discussion, many of these individuals do not have access to economic information, they do not know enough about the market place to make rational decisions and avoid unnecessary costs in time and money in their search for work.

There is a clear need for a public institution that teaches, assists and encourages job seekers to use their own time and resources more efficiently in the pursuit of a job. ES could fill this need--if its legislative mandate directed it to do so. Gaining the manipulative skills for getting to an opening before it is announced or taken by someone else is one way that would obviate the need to pay a fee to a private agency as a penalty for lack of knowledge. Applicants who pay agency fees are the very ones with the least salable skills. It is on to them that the normal recruiting costs of the employer are passed. Short of specific referrals to known job openings, such applicants can be advised on how best to use each of the levels described in the job search/recruitment model, and they can be provided with specific information about the most promising employers for them to pursue.

Job search assistance has been nominally encouraged and some developmental work has taken place. In many ES offices, job search assistance of a substantial nature is offered to those Work Incentive program (WIN) clients who ES is under contract to serve. However, this service is not available to the ordinary job seeker. ES does not and cannot devote its resources to develop the assistance function or to do any serious research about its costs and benefits, despite reports of phenomenal success by various operators. The restraint upon ES stems from the rigid accountability for placements as the measure of agency performance.

The roots of this rigidity lie in the Wagner-Peyser Act itself and the narrow labor exchange function assigned to ES by that mandate. All efforts through the years to play a corrective role have foundered on the act's restrictions. Placements are counted only if the agency is selected by the employer as an intermediary and it participates in selecting and referring a registered applicant who has actually begun to work on the job. Jobs obtained through any self-directed method, regardless of agency participation and assistance, do not serve to validate ES under the Wagner-Peyser market image. The contrast with the Comprehensive Employment and Training Act is inevitable: a self-directed placement is considered an agency accomplishment if the agency played a corrective role.

The Wagner-Peyser Act was passed in 1933, before the massive upsurge of trade unionism in blue-collar occupations, well before the extensive post-World War II changes in the composition of the labor force, before the advent of a personnel management industry with its consequent adoption by major firms and the growth of professional associations, before the greater sophistication and availability of information to both job seekers and employers. Surely, it is permissible to question whether a mandate, enacted before such enormous changes, meets the needs of today's market place. Perhaps ES has a role to fulfill that goes beyond the limited one of labor exchange, though this still may be necessary. Perhaps the time has come to take another hard look at the Wagner-Peyser Act and all other legislation directly concerned with employment or preparation for employment. Perhaps it is time to seek a mandate for a public agency that, in addition to acting as a labor exchange, will be directed to play a broader, more initiating, more corrective role than is presently prescribed. The greatest contrast between the help wanted ads and ES is that the former is the business of its proprietors and its advertisers--the employers. ES is a tax-supported institution. It is everybody's business. And, though the needs of job applicants may be quite different than the needs of the employers, ES has the difficult task of serving both sets of taxpayers.

The study that provided the basis for this monograph was essentially descriptive research. Description of an institution, system, or process can serve two useful purposes, assuming its accuracy: (1) it can cut through the self-protective and self-perpetuating mythologies that are characteristic of all bureaucracies, and compel confrontation with reality, and (2) it can pinpoint those problem areas that call for more probing, analytical research. Although description is not in itself an adequate foundation for making policy, it can be important in creating pre-conditions for the policy-making process--if it serves the two purposes above. The worth of this study will be tested by the extent to which it brings greater labor market reality to the ES role.

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Where to Get More Information

For more information on this and other programs of research and development funded by the Employment and Training Administration, contact the Employment and Training Administration, U.S. Department of Labor, Washington, D.C. 20213, or any of the Regional Administrators for Employment and Training whose addresses are listed below.

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